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UNITED STATES TARIFF COMMISSION

THE FOREIGN TRADE OF LATIN AMERICA

* * *

In three Parts

* * *

Part III

SELECTED LATIN AMERICAN EXPORT COMMODITIES

VOLUME 2

Washington
1940

THE AMERICAS

U.S. TARIFF COMMISSION — APRIL, 1940

UNITED STATES TARIFF COMMISSION

THE FOREIGN TRADE OF LATIN AMERICA

A report on the Trade of Latin America
with Special Reference to Trade
with the United States

◆

Under the General Provisions of Section 332
Part II, Title III, Tariff Act of 1930

◆

In three Parts

◆

PART III

SELECTED LATIN AMERICAN EXPORT COMMODITIES

Washington
1940

UNITED STATES TARIFF COMMISSION

RAYMOND B. STEVENS, *Chairman*
OSCAR B. RYDER, *Vice Chairman*
EDGAR B. BROSSARD
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* * *

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United States Tariff Commission
Washington, D. C.

ACKNOWLEDGMENT

The Tariff Commission makes grateful acknowledgment of the assistance received in the preparation of this report from the Pan American Union, and the Department of Commerce, especially the Division of Regional Information, and the Division of Finance which prepared the tables on balance of payments.

In the preparation of this report the Commission had the services of Allyn C. Loosley, Philip Mullenbach, and Frank A. Waring, and others of the Commission's staff. The statistics were compiled by the Statistical Division of the Commission, and the commodity summaries in part III were prepared by the Commodity Divisions.

FOREWORD

Part III of the report on The Foreign Trade of Latin America deals with 30 selected Latin American export commodities.

The complete report is divided into three parts; part I is concerned with the trade of Latin America as a whole, part II with the trade of individual Latin American countries, and part III with Latin American export commodities. Part I contains a short description of the Latin American area, a consideration of the commercial policies of the Latin American countries, an examination of the total trade of Latin America with the world and with the United States, and an analysis of special problems in the foreign trade of Latin America, including those arising out of the present European war. Part II, consisting of 20 sections, is a survey of the commercial policy and the foreign trade of each of the 20 Latin American republics, with special emphasis on the trend, composition, and destination of exports, and the trend, composition, and sources of imports. In addition, each section contains an analysis of the trade of the United States with the particular country. Part III deals individually with approximately 30 selected Latin American export commodities, for each of which there is a discussion of production, exports, trade barriers, competitive conditions, and the effects of the European war.

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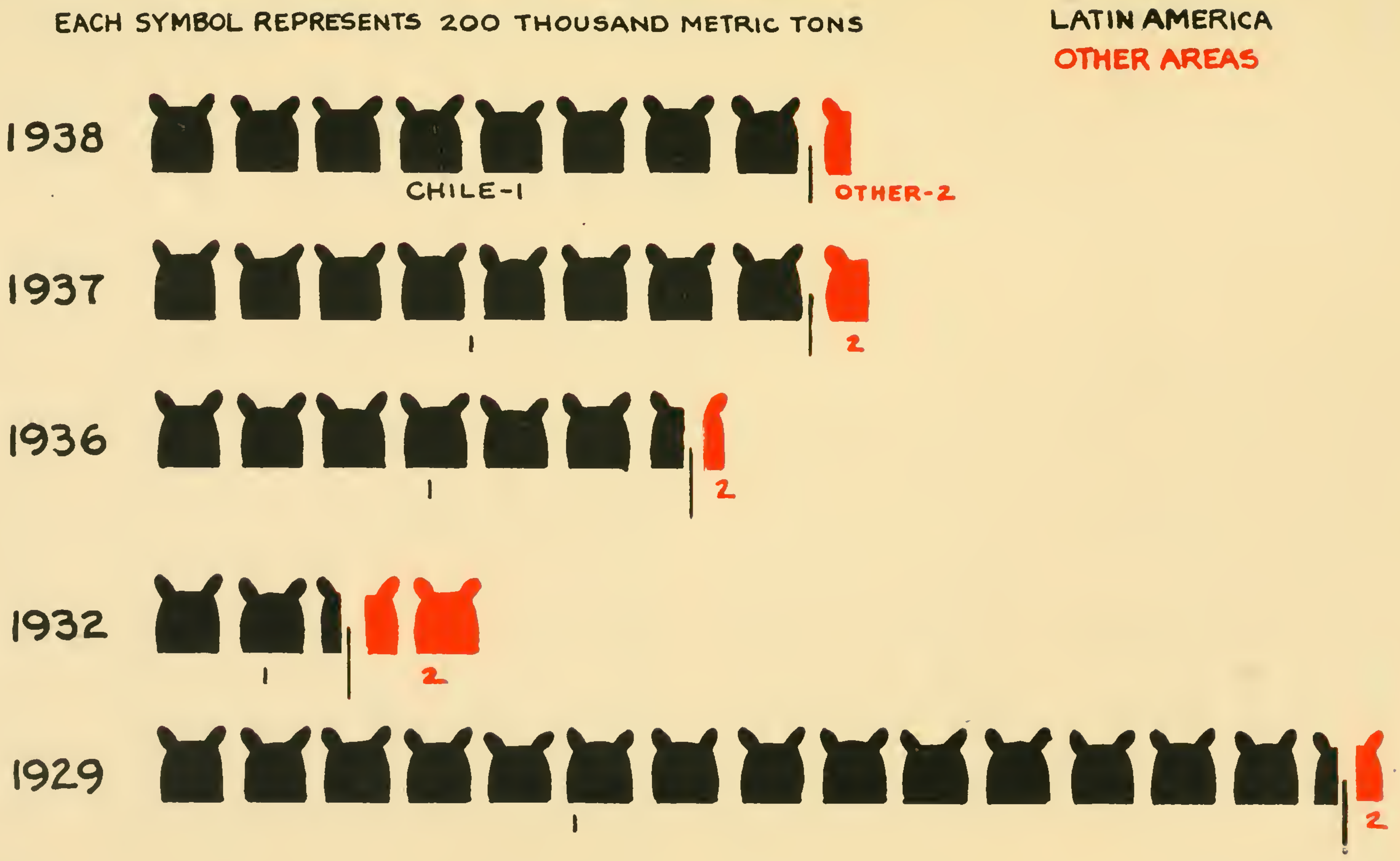
NITRATE

NITRATE
WORLD EXPORTS
1929, 1932, 1936-1938



U.S. TARIFF COMMISSION, 1940.

Sodium Nitrate

Natural sodium nitrate is used as a fertilizer to supply nitrogen to the soil. It may be used by itself or in mixed fertilizers with other compounds which supply the phosphorus and potassium. Prior to the large-scale development in Germany of synthetic ammonia during the World War and in other countries during the post-war years, sodium nitrate was also used as a raw material in the manufacture of nitric acid. This acid has many industrial uses but is of particular importance in the manufacture of explosives.

There is no important source of natural sodium nitrate other than Chile. In the general field of nitrogen compounds, besides the synthetic ammonia already mentioned, alternative sources of supply (of particular importance for nitrogen fertilizers) are synthetic calcium cyanamid, and byproduct ammonia produced in the manufacture of coke.

Latin American production and exports.

For many years the Chilean nitrate industry was developed jointly by the Government and foreign capital (originally British and Spanish); in 1933, however, it was made a State monopoly. The nitrate fields of Chile are located in the northern section of the country; they extend along the western side of the desert which lies between the coastal range and the western slopes of the Andes and cover an irregular belt from 5 to 40 miles wide extending some 400 miles in length from north to south. The deposits now being worked are at elevations ranging from 4,000 to 7,500 feet, and deposits are known to exist at elevations as high as 9,000 feet.

In recent years the production of sodium nitrate in Chile has been much less than it was in the years prior to 1930, principally because of the increased consumption of synthetic nitrogen. In 1929 production amounted to 3.6 million short tons; by 1932 it had declined to one-third of that total. Subsequently production increased considerably, but in 1939 the output of 1.6 million tons was only about 45 percent of that in 1929 (see table 1).

Table 1. - Sodium nitrate: Production in CHILE, in specified years, 1929 to 1939

Year ended June 30	Quantity
	1,000 short tons
1929	3.616
1932	1,176
1936	1,341
1937	1,422
1938	1,566
1939	1,574

Source: Annual reports of the Chilean Nitrate and Iodine Sales Corporation.

Practically all of the Chilean production of sodium nitrate is exported. Chilean exports of sodium nitrate to principal markets, in specified years, 1929 to 1938, are shown in table 2. Exports fell off rapidly after 1929 not only because of the depression, but also because of the increasing competitive impact of the new synthetic nitrogen industry. In 1913 Chilean nitrate supplied 55 percent of the world production of nitrogen; in 1929, 23 percent; in 1931, 11 percent; in 1933, 4 percent; in 1934, 7 percent; and in 1938, 8 percent. Since the record low of 1932 exports have increased markedly.

In 1929 exports amounted to 2,851 thousand long tons, in 1932 to only 240 thousand long tons, and in 1938 to 1,548 thousand long tons, or about 54 percent of the quantity exported in 1929.

The recent rise in exports of sodium nitrate from Chile has been made possible by the very drastic reorganization of the Chilean industry resulting in much lower costs and prices, the elimination of the Chilean export tax, and the new compensation agreements between Chile and a number of other governments, including Germany, France, Belgium, Italy, and Spain. These agreements provided that a part or all of the proceeds of nitrate sales be blocked for the purpose of liquidating credits in Chile of the nationals of the other contracting countries.

The United States is customarily the best market for Chilean nitrate. In 1937 1/ exports to this country amounted to 574 thousand long tons, or nearly 40 percent of total exports. In the same year Egypt, Germany, Italy, France, the Netherlands, Belgium, and the United Kingdom (named in the order of their importance), together accounted for nearly 50 percent; and other countries, including Japan (3 percent), accounted for about 10 percent (see table 2).

1/ The latest year for which exports to principal markets is available. In that year the United States accounted for 38.8 percent, Egypt for 16.0 percent, Germany for 8.7 percent, Italy for 6.7 percent, France for 5.7 percent, the Netherlands for 4.1 percent, Belgium for 4.0 percent, the United Kingdom for 3.0 percent, and Japan for 2.9 percent of total exports.

Table 2. - Sodium nitrate: Exports from CHILE to principal markets, in specified years, 1929 to 1938

Exported to -	1929	1932	1936 1/	1937 1/	1938 1/
	Quantity in long tons				
Total, all countries	2,851,164	239,545	1,181,036	1,476,295	1,547,968
UNITED STATES	204,168	27,320	541,308	573,787	3/
Egypt	86,186	33,845	88,578	236,207	
Germany	75,352	79,168	108,262	127,946	
United Kingdom	78,372	3,238	34,447	44,289	
Japan	34,486	-	2/	42,320	
Netherlands	28,152	23,805	2/	61,020	
France	26,442	8,000	54,131	83,657	
Belgium	1,150	15,261	2/	59,052	
Italy	14,841	6,520	2/	98,420	
All other countries	68,305	34,639	354,310	149,597	
On order	2,233,710	7,749	2/	2/	
Percentage to the United States	4/	11.4	45.8	38.9	3/
	Value in 1,000 pesos				
Total, all countries	965,860	44,051	3/	3/	141,554
	Value in 1,000 U. S. dollars				
Total, all countries	117,545	5,361	3/	3/	29,160
UNITED STATES	8,315	611	3/	3/	3/
Egypt	3,622	757			
Germany	3,117	1,772			
United Kingdom	3,258	72			
Japan	1,412	-			
Netherlands	1,113	533			
France	1,084	179			
Belgium	46	342			
Italy	603	146			
All other countries	2,836	776			
On order	92,139	173			
Percentage direct to the United States	7.1	11.4	3/	3/	3/
Unit value per long ton of total exports	$41.23	$22.38	3/	3/	$18.84

1/ Unofficial data for fiscal years ended June 30. Official data for calendar year, available for totals only; exports in 1936 amounted to 1,265,972 long tons valued at $29,153,120 (unit value per long ton $23.03), and in 1937, 1,582,588 long tons valued at $34,311,978 (unit value per long ton $21.68).

2/ Not shown separately.

3/ Not available.

4/ Not computed because of the dominance of shipments on order with destination unknown. United States imports from Chile in 1929 amounted to 921,813 long tons.

Source: Compiled by the U. S. Tariff Commission from official trade statistics of Chile, statistics of the Pan American Union, and Great Britain, Department of Overseas Trade. Official totals for 1936 and 1937 are from Chilean Trade, December 1938, p. 598. Totals for 1938 are from Chilean Trade Annual, 1938. Converted to United States weights and currency by applying the following factors: 1 metric ton = 0.9841964 long ton. 1 peso = 1929 and 1932, $0.1217; 1936, 1937, and 1938, $0.2060.

Trade barriers, competitive conditions, and prices.

The United States is important to Chile not only because of the quantities of nitrates taken, but also because sales in the United States, although made in competition with nitrogen products produced in this country and imported from Canada and Europe, result in free exchange and are not subject to control by the International Nitrogen Cartel. Moreover, natural sodium nitrate enters the United States free of duty.[1/] Most of the other important markets in recent years have been dependent upon the stimulus of compensation agreements. Imports into most of these markets have also been subject to duties and to cartel control.

Although the compensation agreements mentioned above were of great value in facilitating Chile's export of sodium nitrate in recent years, they were not entirely successful in eliminating quota and licensing restrictions in such countries as Germany, Italy, France, Spain, the Netherlands, and Greece. The basic quotas in Germany, France, and Italy, however, were augmented several times in recent years.

Upon renewal of the International Nitrogen Cartel in 1938, Chile's previous sales quota of 1,250 thousand metric tons in stated markets outside the United States is understood to have been extended for another 3 years. Since the outbreak of European hostilities in September 1939 the International Nitrogen Cartel is reported as having ceased to function.

[1/] Tariff Act of 1930, par. 1766.

The reorganization of the Chilean nitrate industry in 1933 gave the government control of production, sales, and prices. Under this system, wages were increased, numerous welfare expenses were incurred, and at the same time certain exchange losses were absorbed from the operation of the compensation accounts. Moreover, in the 5 years before the present European war, freight rates to the United States and to Europe were increased.[1] These increases in costs in part offset savings obtained through increased efficiency in the two large modern plants and the reduction in capital and interest charges.

The wholesale price of sodium nitrate at New York declined sharply between 1929 and 1932, as did prices of most other commodities, but did not recover thereafter (see table 3). In fact, the price of sodium nitrate was lower during the period 1936-39 than it was in 1932, and so were the unit values of United States imports from Chile. The wholesale price in the United Kingdom, however, was lower in 1932 than in subsequent years. In 1929 and in 1936-39 prices in the United Kingdom were higher than those in the United States; this is probably because the transportation rate to and into the United Kingdom is higher than that to New York and because the product is dutiable in the United Kingdom. 2/

The unit values of United States imports from Chile have been very much lower (especially in recent years) than wholesale prices at New York, even though sodium nitrate is not dutiable in this country.

1/ The reported increases were 30 percent to the United States and 40 percent to Europe.

2/ The duty on sodium nitrate entering the United Kingdom from foreign countries is 4 pounds sterling per long ton. The prices quoted in the United Kingdom include delivery to the buyers' nearest station.

A part of this differential is covered by the freight and handling charges; the remainder represents the mark-up fixed for this market by the Chilean nitrate monopoly. Imports of sodium nitrate from Chile are handled by a single agency of the monopoly in New York; this agency is also in charge of distribution throughout the United States.

Table 3. - Sodium nitrate: Prices at New York and in the United Kingdom, and the unit values of United States imports from Chile, in specified years, 1929 to 1939

(Per short ton)

Year	Wholesale price at New York 1/	Unit values of United States imports from Chile	Wholesale price in the United Kingdom 2/
1929	$43.37	$33.38	$46.78
1932	29.90	25.87	28.17
1936	24.50	17.29	33.84
1937	26.00	16.51	33.66
1938	27.00	16.57	34.93
1939	27.00	16.56	3/

1/ Wholesale price in bulk.
2/ Price per short ton delivered to buyer's nearest station in the United Kingdom.
3/ Not readily available.

Source: Wholesale price at New York - The Potash Journal of the American Potash Institute, Inc.
Wholesale price in the United Kingdom - Annual reports of British Sulphate of Ammonia Federation.
Unit values compiled from official statistics of the U. S. Department of Commerce.

Effects of the European war.

During the World War of 1914-18 production and exports of sodium nitrate increased because of the great demand for nitric acid in the Allied countries and in the United States. Both reached a level in 1917 considerably higher than in any previous year and from two to three times as high as in recent years, though not as high as in 1929. The demand for Chilean nitrates arising out of the present European war will not be as great as that generated by the previous one. The development of synthetic nitrogen plants in the important consuming countries has almost completely displaced sodium nitrate as a raw material for nitric acid, and has furnished new competition in the market for nitrogen fertilizers.

In recent years European markets have taken approximately 50 percent of Chilean exports of sodium nitrate. But for the duration of the war European countries will become less important consumers of Chilean nitrates, and some of them will be shut off altogether. The United States may take larger quantities than in recent years, especially if shipments of nitrogen from Europe to the United States should be diminished. United States production of synthetic nitrogen, however, has formed an increasing percentage of this country's consumption (24 percent of apparent consumption in 1914; 62 percent in 1929; and 75 percent in 1935).

OATS

Oats

Oats rank third in importance among the cereals of the world; only wheat and corn exceed it in quantities produced. About 95 percent of total world production is used as feed and seed, chiefly on the farm where it is grown, and about 5 percent is consumed for human food.

Position of Latin America in world production.

Approximately 60 percent of the world production of 4.5 billion bushels of oats is grown in European countries which also import practically all the oats (only about 60 million bushels annually) shipped in international commerce. The United States, accounting for about 25 percent of world production, is customarily an exporter of this cereal on a small scale, but in 1934 and 1935, as a result of drought, it imported considerable quantities, principally from Argentina.[1] The Latin American countries produce only about 1.5 percent of the world's crop of oats, but they export from 30 to 60 percent of the total quantity entering international trade. Production in the principal producing countries of Latin America and of the world, in specified years, 1929 to 1938, is shown in table 1.

Argentina and Chile are the principal producing countries in Latin America. Little change in the acreage planted to oats in these countries has occurred during the period 1929-38. Production, however, has fluctuated considerably because of weather conditions. During the period 1932-38, annual production in Argentina ranged from 36 million to 70 million bushels, and in Chile from 3.4 million to more than 10 million bushels.

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[1] Total United States imports in 1935 amounted to 10 million bushels.

Table 1. - Oats: Production in principal producing countries of Latin America and of the world, for specified years, 1929 to 1938

Country	1929	1932	1936	1937	1938
	Quantity in 1,000 bushels of 32 pounds				
Argentina	68,293	69,583	54,564	47,468	51,670
Chile	10,400	7,083	6,890	8,476	10,196
Total Latin American countries listed above	78,693	76,666	61,454	55,944	61,866
UNITED STATES	1,113,050	1,250,955	785,506	1,161,612	1,053,839
Soviet Union	1,084,337	774,366	1/	1/	1/
Germany	508,633	458,160	387,072	407,750	438,569
Canada	300,516	416,034	288,764	285,220	394,593
France	373,142	331,936	290,352	299,453	375,416
Poland	203,450	164,713	181,886	161,410	183,014
Sweden	86,067	81,845	82,848	87,171	98,118
Czechoslovakia	102,927	114,627	83,938	94,547	79,906
Denmark	71,276	72,707	57,616	70,609	79,228
Danube Basin 2/	155,539	91,509	108,721	84,406	79,667
All other countries	720,370	674,482	1/	1/	1/
Estimated world production	4,798,000	4,508,000	4,039,000	4,440,000	4,618,000
	Percent of world production				
Latin American countries listed above	1.6	1.7	1.5	1.3	1.3

1/ Not available.
2/ Includes Hungary, Yugoslavia, Bulgaria, and Rumania.

Source: Compiled from Agricultural Statistics, U. S. Department of Agriculture.

Latin American exports.

Argentina and Chile are important exporters of oats; exports from these countries in 1938 amounted to 30 million bushels, or 53 percent of all the oats entering international trade (see table 2). In recent years Argentine exports have ranged from 12 to 50 million bushels and Chilean exports from 1 to 4 million bushels. Exports from Argentina and Chile to principal markets, in specified years, 1929 to 1938, are shown in tables 3 and 4. Practically all of the exports from both Argentina and Chile ordinarily go to European countries, but the quantities shipped to the various markets have varied considerably, depending on the size of crops, in both the producing countries and the importing countries. In 1934 and 1935 Argentina exported considerable quantities to the United States. The principal European markets for Argentine oats have been Belgium, the Netherlands, Germany, the United Kingdom, Italy, Denmark, and France. Exports of oats from Chile have gone principally to Germany, Switzerland, Cuba, and Belgium, but the position of these purchasers, except Germany, has shifted from year to year.

Table 2. - Oats: Exports of principal exporting countries of Latin America and of the world, in specified years, 1929 to 1938

Country	1929	1932	1936	1937	1938
	Quantity in 1,000 bushels of 32 pounds				
Argentina	29,638	49,302	12,109	27,792	26,303
Chile	3,214	874	3,317	4,171	3,620
Total Latin American countries listed above	32,852	50,176	15,426	31,963	29,923
UNITED STATES	6,609	3,487	517	6,727	8,517
Canada	8,161	16,402	9,018	4,776	7,317
Czechoslovakia	4,819	8,420	1,370	2,526	2,060
French Morocco	1,629	985	720	581	2,020
Netherlands	721	72	2,735	2,331	1,792
Poland and Danzig	2,592	218	6,768	1,872	716
All other countries	50,553	8,872	12,485	6,647	3,962
Total world exports	107,936	88,632	49,039	57,423	56,307
	Percent of total world exports				
Latin American countries listed above	30.4	56.6	31.5	55.7	53.1

Source: Compiled by the U. S. Tariff Commission from official trade statistics of Latin American countries, and International Yearbook of Agricultural Statistics. Converted to U. S. measure by the following factor: 1 quintal = 6.889375 bushels of 32 pounds.

Table 3. - Oats: Exports from ARGENTINA to principal markets, in specified years, 1929 to 1938

Exported to -	1929	1932	1936	1937	1938
	Quantity in 1,000 bushels of 32 pounds				
Total, all countries	29,638	49,302	12,109	27,792	26,303
Belgium	11,856	13,747	3,671	10,049	8,723
Netherlands	5,092	4,748	4,867	9,088	7,847
Germany	1,212	518	1,047	1,029	4,102
Denmark	84	265	374	1,984	1,664
Sweden	985	1,692	28	1,463	620
Italy	2,399	9,939	410	917	280
France	779	5,546	1,190	1,897	195
United Kingdom	6,919	11,858	1/	60	167
Norway	238	736	-	366	104
All other countries	74	253	521	939	2,601
	Value in 1,000 paper pesos				
Total, all countries	31,461	36,499	9,927	24,654	22,662
	Value in 1,000 U. S. dollars				
Total, all countries 2/	13,169	9,385	2,897	7,608	6,738
Belgium	5,297	2,588	882	2,732	2,217
Netherlands	2,281	893	1,151	2,475	1,960
Germany	556	100	259	286	1,128
Denmark	34	52	86	548	449
Sweden	436	330	7	412	169
Italy	1,085	1,896	103	255	68
France	356	1,060	282	523	51
United Kingdom	2,990	2,280	1/	17	46
Norway	103	138	-	104	27
All other countries	31	48	127	256	623
Unit value per bushel of total exports 3/	$0.444	$0.190	$0.239	$0.274	$0.256

1/ Not over 500.

2/ For 1929--32 the U. S. dollar value has been converted from the gold peso value. One gold peso is equal to 2.272727 paper pesos. The converted rates for gold peso are as follows: 1929, $0.9513; 1932, $0.5844.

3/ The unit values appearing in this and other tables should be interpreted with caution, especially when comparing the unit values of the exports of one country with those of another. Exports from the different Latin American countries, though of the same commodity, frequently are of different types or grades. Moreover, different methods of valuation are employed by the various countries and some countries have changed their method of valuation during the period 1929-38.

Source: Compiled by the U. S. Tariff Commission from official trade statistics of Argentina. Converted to United States measure and currency by applying the following factors: 1 metric ton = 68.89375 bushels of 32 pounds; 1 peso = 1929, $0.4186; 1932, $0.2571; 1936, $0.2918; 1937, $0.3086; 1938, $0.2973.

Table 4. - Oats: Exports from CHILE to principal markets, in specified years, 1929 to 1938

Exported to -	1929	1932	1936	1937	1938
	Quantity in 1,000 bushels of 32 pounds				
Total, all countries	3,214	873	3,317	4,171	3,620
Germany	1/	21	1,311	2,035	1,597
Switzerland		-	355	500	893
Cuba		8	340	564	476
Belgium		42	593	922	450
United Kingdom		744	77	2	7
All other countries		58	641	148	197
	Value in 1,000 pesos				
Total, all countries	14,494	1,520	5,137	8,006	5,680
	Value in 1,000 U. S. dollars				
Total, all countries	1,764	185	1,058	1,649	1,170
Germany	1/	4	471	921	577
Switzerland		-	94	159	252
Cuba		2	112	213	141
Belgium		9	161	293	105
United Kingdom		158	21	1	2
All other countries		12	199	62	93
Unit value per bushel of total exports 2/	$0.549	$0.212	$0.319	$0.395	$0.323

1/ Not available.
2/ See footnote 3, table 3.

Source: Compiled by the U. S. Tariff Commission from official trade statistics of Chile. Converted to United States measure and currency by applying the following factors: 1 kilo = 0.068894 bushels of 32 pounds; 1 peso = 1929, $0.1217; 1932, $0.1217; 1936-38, $0.2060.

Trade barriers, competitive conditions, and prices.

In the European countries which import oats, this commodity is subject to a wide range of import duties and quota arrangements. These barriers have been altered frequently depending on the domestic supply of this cereal. Oats entering the United Kingdom from foreign countries are dutiable at 3 shillings (approximately 60 cents) per hundredweight (112 pounds), but oats from Empire countries are free of duty; the production of oats within the United Kingdom is subsidized. The United States duty on oats is 8 cents per bushel of 32 pounds.1/

In the Latin American countries, oats are grown primarily for export. These countries compete for the markets of western and northern Europe with other exporting countries such as Canada, the United States, the Soviet Union, Rumania, and Hungary.

During the period 1929-40, the price of oats at Liverpool was regularly higher than that at Chicago; and the price at Chicago was customarily higher than that at Buenos Aires. The United Kingdom is an importing country, and the high price of oats in that market is attributable to the cost of transportation from North and South America, to internal agricultural policies, and to the United Kingdom duty.2/ The spread in the annual average prices of white oats at Chicago and at Buenos Aires has ranged between 1 cent and 22 cents per bushel (32 pounds). Only in 1935 and 1938 did prices at Buenos Aires

---

1/ Tariff Act of 1930, par. 726. The duty was reduced from 16 cents per bushel in the second trade agreement with Canada, effective Jan. 1, 1939.

2/ The duty, of course, affects prices only when imports from foreign countries are essential to satisfy domestic requirements; the United Kingdom, however, customarily imports oats from foreign as well as Empire countries.

exceed those at Chicago; in 1935 the price at Chicago was 29 cents per bushel and at Buenos Aires 31 cents per bushel, and in 1938 they were 28 cents and 38 cents per bushel, respectively (see table 5). These deviations in the spread between the two prices may be accounted for principally by crop variations caused by weather conditions.

The price of No. 3 white oats at Chicago averaged 30 cents per bushel in August 1939; following the declaration of war in Europe, it rose sharply and stood at 43 cents in March 1940. During the same period the price of oats at Buenos Aires rose from 19 to 23 cents per bushel. Following the German invasion of Norway, Belgium, and the Netherlands, the price of oats (No. 3 white) at Chicago declined, and on May 15 was quoted at 38 cents per bushel.

Table 5. - Oats: Prices in the United States, Argentina, and the United Kingdom, annually for 1929-38 and by months August 1939 to March 1940

(Cents per bushel of 32 pounds)

Year beginning August	U. S. Grade No. 3 white oats at Chicago 1/	White oats at Buenos Aires 2/	English white oats at Liverpool 3/	Ratio of price at	
				Buenos Aires to price at Chicago	Liverpool to price at Chicago
1929	45	32	50	71.1	111.1
1930	36	18	43	50.0	119.4
1931	22	20	42	90.9	190.9
1932	19	18	33	94.7	173.7
1933	36	20	40	55.6	111.1
1934	48	26	49	54.2	102.1
1935	29	31	46	106.9	158.6
1936	43	30	57	69.8	132.6
1937	32	31	62	96.9	193.7
1938	28	38	43	135.7	153.6
1939 -					
August	30	19	43	63.3	143.3
September	36	22	4/	61.1	
October	34	23		67.6	
November	39	23		59.0	
December	41	22		53.7	
1940 -					
January	42	23		54.8	
February	43	22		51.2	
March	43	23		53.5	

1/ Data from Agricultural Statistics and Crops and Markets, U. S. Department of Agriculture.
2/ Data compiled by Bureau of Agricultural Economics, U. S. Department of Agriculture.
3/ Compiled from data published in Monthly Bulletin of Agricultural Statistics, Canada.
4/ The Liverpool market has been closed since midnight September 3, 1939, following the declaration of war.

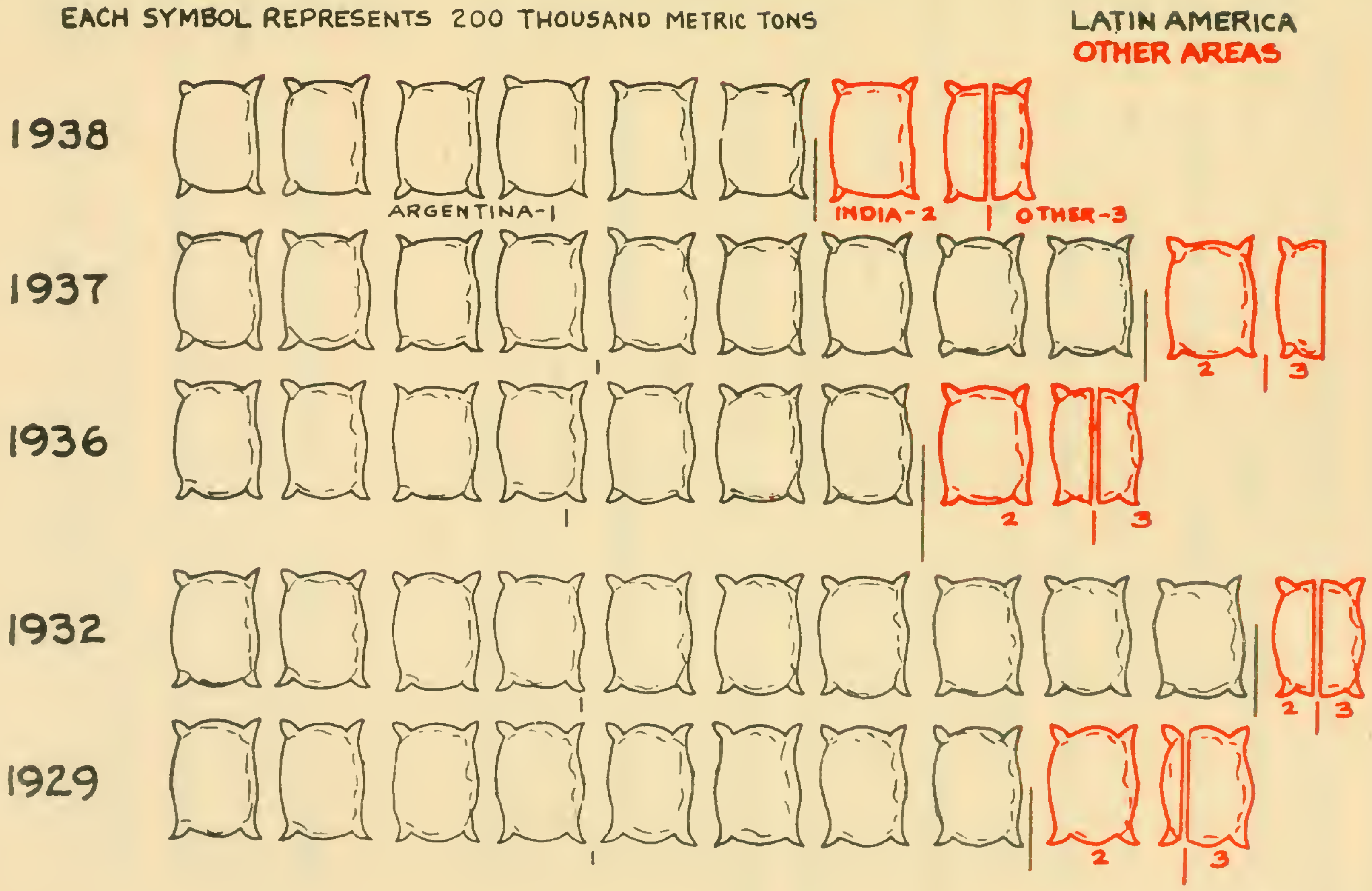
Effects of the European war.

The nations at war in Europe, as well as some of the neutral countries, are usually heavy importers of oats. The belligerent countries may devote greater acreages to wheat and vegetables and less to feed grains; to the extent that this occurs, they will depend more than formerly upon foreign sources for oats. The United Kingdom normally imports from 10 to 20 million bushels of oats annually; in some years a large proportion comes from Argentina. France normally imports oats from Tunisia and Algeria, but in years of short crops in northern Africa it also imports large quantities from Argentina. The German market, which was important for both Argentina and Chile, may be supplied, at least in part, by the Soviet Union and by Czechoslovakia and Poland now under German domination. In any case, as long as the blockade of European ports remains effective, continental European countries will probably be lost, and the United Kingdom may become less important, as markets for Argentine and Chilean oats.

During the World War of 1914-18, exports of oats from North and South America were 172 million bushels annually as compared with 65 million bushels during the period 1909-13. There is little reason to expect that exports will experience a comparable expansion during the present war.

OIL-BEARING SEEDS AND NUTS

FLAXSEED
WORLD EXPORTS
1929, 1932, 1936-1938



U.S. TARIFF COMMISSION, 1940.

Oil-bearing Seeds and Nuts

Latin America is an important source of the world's supply of certain oil-bearing seeds and nuts; these include the flaxseed of Argenti and Uruguay, and the castor beans, cottonseed, and babassu nut kernels of Brazil. Argentina produces approximately half the total world output of flaxseed which is the source of linseed oil, the principal oil ingredient of most paints and varnishes. Brazil now produces about 40 percent of the world output of castor beans, the entire supply of babassu kernels, and substantial quantities of cottonseed, the production of which in Brazil has quadrupled in the decade 1929-38. The increasing importance of Brazil as a supplier of these three commoditie may be gaged by its total exports of oleaginous seeds and nuts, which amounted to 94 thousand tons in 1929 and to 230 thousand tons in 1938.[1] The supply of oil-bearing seeds and nuts, other than the four mentioned in Latin American countries is unimportant in relation to the general world supply. With the exception of cottonseed, most of the Latin American production of oil-bearing seeds and nuts is exported; the extraction of vegetable oil in these countries is comparatively unimportant.

Flaxseed.

The common cultivated flax is thought to be native to southeastern Europe and western Asia. It was introduced into the new world during the colonial period. Between 70 and 80 percent of all flax grown in the world is seed flax. Although most flax is grown principally for seed, there is a considerable production of flax for fiber in the Soviet Union, and for both fiber and seed in north-central European countries. That grown in tropical countries, particularly in India, yields seed with a higher percentage of oil than that produced in countries in the temperate zones. The seed is used almost entirely in the production of linseed oil; small quantities are used for medicinal purposes.

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[1] Government of Brazil, Vegetable Oils, 1939.

Linseed oil is a valuable drying oil obtained by crushing flaxseed. The seed usually hields about 33 percent of its weight in oil. The most important use of linseed oil is in the preparation of paints and varnishes, but it is also an important ingredient in the manufacture of linoleum and printers' ink. Of the total consumption of linseed oil in the United States for the period 1931-38, about 77 percent was used in paints and varnishes, 16 percent in linoleum and felt base coverings, 5 percent in printers' ink, and 2 percent in making soap and miscellaneous articles. The byproducts, linseed cake and meal, are valuable cattle feeds and are in general demand by dairy farmers.

Position of Latin America in world production. - Argentina is the largest flaxseed producing country in the world and customarily accounts for about half of the world total (see table 1). The principal producing countries, with percentages of world production for the 3-year period 1934-35 to 1936-37 were: Argentina, 50 percent; the Soviet Union, 20 percent; British India, 12 percent; and the United States, 6 percent. In the last few years production in Argentina has declined, while that in the United States has increased; production in the other important producing countries has been fairly stable.

The countries of Latin America which produce flaxseed are Argentina and Uruguay (see table 1). Flax for fiber is not grown in these countries. Production in Argentina expanded markedly after the World War of 1914-18. In the period 1909-13, that country accounted for 20 percent of world production and in the period 1919-23, for 50 percent. Production in 1928-29 and 1935-36 was, respectively, 54 percent and 46 percent of the world total; in 1936-37, it amounted to 55 percent, and in 1938-39 to 43 percent.

Flax is grown in the Paraná River basin of Argentina. In Uruguay, the flax region is north and northeast of the Río de la Plata. The growing season for Argentine farm crops is the reverse of that in the United States; flax seeding extends from the first part of May until September, and the harvest takes place in December and January. Soil, climate, and cultural practices in growing flax in Uruguay are similar to those of Argentina. Lack of moisture during the critical period of the growth of flax seriously affects the yield. The weather in Argentina is erratic, and may include heavy rainfall, dry weather at irregular intervals, or even extended droughts. This changeableness in weather conditions is indicated by the wide range of production over a series of years.

Table 1. - **Flaxseed:** **Production in principal producing countries of Latin America and of the world, in specified years, 1928-29 to 1939-40**

	1928-29	1931-32	1935-36	1936-37	1937-38	1938-39 1/	1939-40 1/
	Quantity in 1,000 bushels						
Argentina	78,377	78,342	59,445	76,200	60,603	55,509	44,368
Uruguay	2,030	4,841	3,007	3,011	3,728	4,409	4,693
Total	80,407	83,183	62,452	79,211	64,331	59,918	49,061
UNITED STATES	19,118	11,755	14,520	5,273	7,089	8,171	20,330
Soviet Union	23,690	33,217	29,133	29,526	2/ 29,211	2/ 28,746	3/
British India	15,080	16,640	17,920	16,640	17,800	18,280	18,800
Canada	3,614	2,465	1,667	1,795	775	1,389	2,169
Poland	2,413	1,941	2,793	2,820	2,964	2,692	3/
Lithuania	1,000	1,003	1,487	1,444	1,401	1,161	1,255
Estimated world production	150,000	165,000	135,000	144,000	130,000	138,000	3/
	Percent of estimated world production						
Argentina and Uruguay	53.6	50.4	46.3	55.0	49.5	43.4	3/

1/ Preliminary.
2/ Statistics of production not available - estimates based on change in area as compared with 1935.
3/ Not available.

Source: U. S. Bureau of Agricultural Economics.

Latin American exports. - Of total world trade in flaxseed, exports from Argentina usually represent about 80 percent, those from British India, 10 percent, and those from Uruguay, 4 percent. The United States and the Soviet Union have not exported flaxseed in recent years. The United States is the principal world market for imported flaxseed, taking about 20 percent of total world imports. The Netherlands, the United Kingdom, France, and Germany are heavy importers of flaxseed; Belgium, Italy, and Sweden also take significant quantities.

Exports of flaxseed from Argentina and Uruguay to principal markets, in specified years, 1929 to 1938, are shown in tables 2 and 3. Argentina ordinarily exports about 90 percent of its production, principally to European countries and to the United States. During the period 1932-36, the principal markets for Argentine flaxseed and the percentages of average quantities exported to each were as follows: The Netherlands, 28 percent; United States, 17 percent; France, 13 percent; Belgium, 10 percent; the United Kingdom and Germany, 9 percent each. Exports to the United Kingdom have fluctuated markedly; in 1932 they amounted to 13,291 thousand bushels and in 1936, to only 2,305 thousand bushels. In 1937, the United States was the principal market for Argentine flaxseed, taking 26,361 thousand bushels, or 37 percent of all Argentine exports. In 1938 the United States took 26.8 percent of the Argentine flaxseed exports, by volume, as compared with 27.2 percent taken by the Netherlands, 11.7 percent by France, and 9.5 percent by Belgium (see table 2).

Exports of flaxseed from Uruguay go chiefly to Argentine ports, where the seed is transhipped and exported with Argentine seed. Of the total quantity of flaxseed exported by Uruguay in 1938, nearly 75 percent went to Argentina. Other markets have been the United States, France, Portugal, Belgium, and the Netherlands (see table 3).

Some flaxseed is pressed in Argentina and Uruguay, but these two countries export little linseed oil. Uruguay, however, exports small quantities of linseed cake and meal.

Table 2. - Flaxseed: Exports from ARGENTINA to principal markets, in specified years, 1929 to 1938

Exported to -	1929	1932	1936	1937	1938
	Quantity in 1,000 bushels of 56 pounds				
Total, all countries	63,677	79,823	58,576	70,943	49,806
Netherlands	14,455	24,899	15,526	13,719	13,541
UNITED STATES	21,971	7,149	14,383	26,361	13,327
France	4,232	7,650	9,133	8,669	5,820
Belgium	4,090	9,499	5,071	4,127	4,721
Germany	6,138	9,303	3,887	2,943	2,512
Italy	1,081	2,331	2,289	2,874	1,854
Sweden	1,290	1,808	837	1,523	1,702
United Kingdom	6,666	13,291	2,305	3,456	1,396
Canada	841	447	1,898	3,229	1,089
All other countries	2,913	3,446	3,247	4,042	3,844
Percentage to the United States	34.5	9.0	24.6	37.2	26.8
	Value in 1,000 paper pesos				
Total, all countries	273,077	186,779	211,296	275,284	181,223
	Value in 1,000 U. S. dollars 1/				
Total, all countries	114,302	48,028	61,656	84,953	53,878
Netherlands	26,180	14,987	16,303	16,571	14,621
UNITED STATES	40,333	4,298	15,189	31,407	14,305
France	7,407	4,592	9,629	10,432	6,350
Belgium	7,364	5,723	5,314	4,920	5,084
Germany	10,536	5,596	4,086	3,568	2,628
Italy	1,787	1,400	2,408	3,441	2,049
Sweden	2,316	1,087	891	1,813	1,871
United Kingdom	11,595	8,008	2,401	3,972	1,599
Canada	1,622	272	2,017	3,985	1,182
All other countries	5,162	2,065	3,418	4,844	4,189
Percentage to the United States	35.3	8.9	24.6	37.0	26.6
Unit value per bushel of total exports 2/	$1.80	$0.602	$1.053	$1.197	$1.082

1/ For 1929 and 1932 the U. S. dollar value has been converted from the gold peso value - One gold peso is equal to 2.272727 paper pesos. The conversion rates for the gold peso are as follows: 1929, $0.9513; 1932, $0.5844.

2/ The unit values appearing in this and other tables should be interpreted with caution, especially when comparing the unit values of the exports of one country with those of another. Exports from the different Latin American countries, though of the same commodity, frequently are of different types or grades. Moreover, different methods of valuation are employed by the various countries and some countries have changed their method of valuation during the period 1929-38.

Source: Compiled by the U. S. Tariff Commission from official trade statistics of Argentina. Converted to United States measures and currency by applying the following factors: 1 metric ton = 39.3679 bushels; 1 gold peso 1929, $0.4186; 1932, $0.2571; 1 paper peso equals 1936, $0.2918; 1937, $0.3086; 1938, $0.2973.

Table 3. - Flaxseed: Exports from URUGUAY to principal markets, for specified years, 1929 to 1938

Exported to -	1929	1932	1936	1937	1938
	Quantity in 1,000 bushels of 56 pounds				
Total, all countries	2,201	3,082	3,028	2,951	2,849
Argentina	1,417	1,048	1,926	1,993	2,144
UNITED STATES	4	-	-	-	328
France	8	-	-	-	89
Portugal	-	-	64	365	73
Belgium	106	943	259	241	44
Netherlands	101	107	389	111	23
All other countries	489	661	67	10	139
On order	76	323	323	231	9
Percentage to the United States	0.2	-	-	-	11.5
	Value in 1,000 pesos				
Total, all countries	3,625	3,958	5,316	4,552	5,098
	Value in 1,000 U. S. dollars				
Total, all countries	3,575	1,863	2,784	3,547	2,904
Argentina	2,334	645	1,749	2,576	2,181
UNITED STATES	6	-	-	-	328
France	12	-	-	-	86
Portugal	-	-	74	418	73
Belgium	166	558	250	223	58
Netherlands	161	62	367	126	23
All other countries	781	406	64	8	143
On order	115	192	280	196	12
Percentage to the United States	0.2	-	-	-	11.3
Unit value per bushel of total exports 1/	$1.624	$0.604	$0.919	$1.202	$1.019

1/ See footnote 2, table 2.

Source: Compiled by the U. S. Tariff Commission from official trade statistics of Uruguay. Converted to United States measures and currency by applying the following factors: 1 metric ton = 39.3679 bushels, 1 peso = 1929, $0.9863; 1932, $0.4706; 1936, $0.5237; 1937, $0.5595.

Trade barriers, competitive conditions, and prices. - In the United States flax is grown chiefly for seed, practically all of which is crushed for oil. The United States ranks fourth in world production of flaxseed, but beçause of the large consumption, its imports have also been large. Flaxseed entering the United States is dutiable at the rate of 65 cents a bushel of 56 pounds.1/ Since the World War of 1914-18, the United States has been one of the world's largest importers of flaxseed. In most years, imports exceeded production, and in the period 1926-37 they supplied 57.5 percent of consumption. In 1937, 97.7 percent of United States imports of flaxseed came from Argentina; in 1938, 93.4 percent; and in 1939, 95.3 percent.

Within the last decade several factors have operated to disrupt Argentina's flaxseed markets. Argentina supplied most of United Kingdom imports of flaxseed until in 1932, under the Ottawa Agreements, a duty of 10 percent was imposed on flaxseed entering the United Kingdom from non-Empire sources. Following the imposition of this duty there was a sharp decrease in imports from Argentina, and a marked rise in imports from British India. Argentina has been the principal source of imports of flaxseed into France. Since 1934, however, the importation into France of oleaginous seeds has been subject to quota restrictions which require the importer to furnish evidence of the importation of a certain quantity of seeds of French colonial origin. Also, since August 1933 there has been a duty on flaxseed other than

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1/ Tariff Act of 1930, par. 762.

from French colonial possessions. In 1934 and after, Germany's policy of curbing imports, and its drive for self-sufficiency in raw materials, has caused a decided drop in flaxseed imports from Argentina.

The United States is the largest producer of linseed oil. Prior to 1923 imports of linseed oil were substantial, but since that year they have been unimportant. Exports of linseed oil have never been significant. The United States, however, is the largest exporter of linseed cake and meal. In recent years exports of linseed cake and meal, mostly with benefit of drawback, have ranged from 36 to 58 percent of production. Imports of linseed cake and meal have been relatively small.

The average price of flaxseed at Minneapolis (No. 1 grade) has followed general price trends. It was high in the crop year 1929-30 ($3.11 per bushel of 56 pounds) and low in 1932-33 ($1.18 per bushel). Thereafter the price advanced until 1934-35; it declined in 1935-36, rose in 1936-37, and declined in the next 2 crop years. The price was $1.84 per bushel in 1938-39.

Prices at Buenos Aires and at Hull, England, followed trends similar to those in the United States. During the period 1929-40, the price at Buenos Aires has been less than that at Minneapolis by more than the amount of the United States duty (except in the years of low prices, 1932-33 and 1935-36, and in the months August to November 1939). This price relationship, however, is a logical one, inasmuch as production in the United States is inadequate to satisfy domestic requirements. Prices in England have also been somewhat higher than those in Argentina because of transportation charges and, since 1932, the 10 percent duty.

Since the declaration of war in Europe, prices of flaxseed in the United States, the United Kingdom, and Argentina have risen significantly. These prices reached heights exceeding those in any other year since 1929, but in no case did the price equal that of 1929 (see table 4).

Table 4. - Flaxseed: Average prices at Minneapolis, Buenos Aires, and Hull, England, in crop years, 1929-30 to 1938-39, and first quarter, 1940

(Per bushel of 56 pounds)

Year beginning Aug. 1	Minneapolis (No. 1)	Buenos Aires (La Plata)	Excess, Minneapolis over Buenos Aires	Hull, England	
				La Plata	Bombay
1929-30	$3.11	$2.02	$0.99	$2.49	$2.22
1930-31	1.76	1.04	.72	1.27	1.41
1931-32	1.36	.64	.72	.80	.99
1932-33	1.18	.70	.48	.83	.98
1933-34	1.87	1.07	.80	1.25	1.43
1934-35	1.90	1.02	.88	1.19	1.48
1935-36	1.73	1.15	.58	1.32	1.60
1936-37	2.14	1.25	.89	1.51	1.82
1937-38	2.07	1.30	.77	1.55	1.80
1938-39	1.84	1.11	.73	1.31	1.51
1939 -					
August	1.52	1.12	.40	1.32	1.32
September	1.78	1.29	.49	1/	1/
October	1.82	1.24	.58	1/	1/
November	1.81	1.21	.60	1/	1/
December	2.06	1.26	.80	1.59	2.17
1940 -					
January	2.17	1.26	.91	1.57	2.21
February	2.14	1.22	.92	1.51	2.00
March	2.08	1.32	.76	1.60	1.86
April	2.11	-	-	-	-

1/ No quotation.

Source: United States prices, Crops and Markets, 1929-39; August-February, 1939-40, U.S. Quarterly Flax Review, February 1940; Buenos Aires, Review of the River Plate. Prices at Hull, England, from Senate Document, No. 62, Flaxseed Prices and the Tariff; Oil, Paint and Drug Reporter, 1939-40.

Effects of the European war. - During recent years, Argentina's principal markets for flaxseed have been the United States, the Netherlands, France, Belgium, Germany, Italy, Sweden, and the United Kingdom. About two-thirds of Uruguay's exports have gone to Argentina for reexport, and most of the remainder to the United States, Belgium, and the Netherlands. The European war has seriously restricted the markets for Latin American flaxseed, inasmuch as the major portion of that seed has customarily gone to continental Europe. The United States has been the only other large market, having taken in recent years from 20 to 40 percent of the total Latin American exports. There is no indication that war conditions in the United Kingdom or the rearmament program in the United States will result in appreciably expanding the market for Latin American flaxseed in those countries.

Castor beans.

The castor bean is the source of castor oil. This oil is used in the preparation of sulphonated or soluble oils for the textile industry, in the manufacture of synthetic resins, as a lubricant for high-speed engines, in the preparation of leather, linoleum, paints, varnishes, and lacquers, and for medicinal purposes. The seed of the castor plant, which is a perennial in the tropics and an annual in the temperate zones, is gathered principally by a large number of small producers as a side-line. These producers pick the beans from wild or semicultivated plants growing, for the most part, in out-of-the-way places, on waste land, around houses, on the margins of gardens, fields, and roads, or interplanted with other crops. The plants must be picked over several times as the seeds ripen; women and children customarily perform this labor.

Position of Latin America in world production. - Incomplete data data indicate that the total world production of castor beans is approximately 330 thousand short tons.[1] About 250 thousand short tons are produced in Brazil and British India, while Manchuria and the Soviet Union together account for from 50 to 60 thousand short tons. Small quantities probably not more than 2 thousand short tons, are produced in Argentina. In recent years Brazilian production has exceeded that of India. In 1937, the exports from Brazil of castor beans and of castor oil in terms of beans amounted to 133 thousand short tons; in that year production in India totaled about 113 thousand short tons. [2]

Latin American exports. - Brazilian exports of castor beans and castor oil have increased sharply during the past decade. Exports of castor oil from Brazil are small in proportion to exports of the beans and form but a small proportion of total world exports of that oil; they increased irregularly from 76 short tons in 1933 to 433 short tons in 1936, but in 1937 they declined to 224 short tons. [3] Brazil's exports of castor beans to principal markets, in specified years 1929 to 1938, are shown in table 5. More than one-half of these exports in the last few years have gone to the United States, which in 1937 took 71 thousand short tons, or 54 percent of the total. Exports to the United States market have increased since the reduction of the United States duty in the Brazilian trade agreement.[1] They were exceptionally large in 1937 - a year affected by drought and increased business activity in the United States - but declined somewhat in 1938.[2] Belgium also has taken considerable quantities of Brazilian castor beans; other markets have been Italy, the United Kingdom, and France (see table 5). Exports from Argentina, if any, are not shown separately.

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[1] This amount is somewhat less than 10 percent of the world flaxseed crop. Castor beans, however, yield 42 percent oil, while flaxseed yields about 33 percent.

[2] Practically all of the exports from Brazil are in the form of beans.

[3] Data for more recent years are not available.

1/ The United States has long been an insignificant producer of castor beans. See section on "Trade barriers, competitive conditions, and prices."

2/ Brazil is practically the sole supplier of United States imports of castor beans.

Table 5. - Castor beans: Exports from BRAZIL to principal markets, in specified years, 1929 to 1938

Exported to -	1929	1932	1936	1937	1938
	Quantity in 1,000 pounds				
Total, all countries -	45,995	27,222	224,993	264,367	277,502
UNITED STATES -----	9,875	15,700	128,334	142,238	1/
Belgium and Luxemburg -------------	22,037	8,618	34,075	50,681	
Italy -------------	-	11	13,380	23,469	
France ------------	2,882	1,571	26,429	20,132	
United Kingdom ----	9,780	482	22,245	20,889	
Germany -----------	1,387	840	486	1/	
All other countries	34	-	44	6,958	
Percentage to the United States --------	21.5	57.7	57.0	53.8	
	Value in 1,000 milreis				
Total, all countries -	12,326	5,951	73,942	91,299	79,777
	Value in 1,000 U. S. dollars				
Total, all countries -	1,456	424	4,834	6,232	4,627
UNITED STATES -----	336	249	2,737	3,358	1/
Belgium and Luxemburg -------------	692	140	744	1,183	
Italy -------------	-	2/	315	595	
France ------------	96	15	581	465	
United Kingdom ----	289	8	446	459	
Germany -----------	42	12	10	1/	
All other countries	1	-	1	172	
Percentage to the United States --------	23.1	58.7	56.6	53.9	
Unit value per pound of total exports -------	$0.032	$0.016	$0.021	$0.024	$0.017

1/ Not available.
2/ Not over 500.

Source: Compiled by the U.S. Tariff Commission from official trade statistics of Brazil. Converted to United States weights and currency by applying the following factors: 1 kilo = 2.2046 pounds; 1 milreis = 1929, $0.1181; 1932, $0.0712; 1936, $0.06537; 1937, $0.06826; 1938, $0.0580.

Trade barriers, competitive conditions, and prices. - Castor beans are not grown in the United States in commercial quantities. In the latter part of the nineteenth century, the domestic castor crop was of some importance, but by 1900, as a result of the increasing value of substitute crops, higher labor costs, and the danger of poisoning livestock, production on a commercial scale had practically ceased. The use of castor oil in the United States, however, has not declined; on the contrary, imports of castor beans increased from 26 thousand short tons in 1919 to 82 thousand short tons in 1936, all of which were crushed for oil; such imports amounted to 73 thousand short tons in 1937, to 57 thousand in 1938, and to 81 thousand in 1939. Exports of castor oil from the United States, which go principally to Canada, the Philippines, and Central and South American countries, are relatively small.

Under the Tariff Act of 1930, 1/ castor beans were dutiable at one-half cent a pound. In the trade agreement with Brazil, effective January 1, 1936, the duty was reduced to one-fourth cent a pound. The oil is dutiable at 3 cents per pound. 2/ In the United Kingdom the duty on castor beans is 10 percent ad valorem and on the oil, 15 percent; castor beans and oil from Empire countries are free of duty. France and Italy have specific duties on castor beans and very high specific duties on castor oil to protect their crushing industries. 3/

1/ Tariff Act of 1930, par. 762.
2/ Tariff Act of 1930, par. 53.
3/ In France the duty on castor beans is 26 francs per 100 gross kilos and on castor oil, 456 francs per 100 gross kilos; in Italy the duties are 80 lira per 100 kilos and 234 lira, respectively. In France castor oil is also subject to an import tax of 9 percent of the duty-paid value. The oil from assimilated colonies is subject to this tax, but both the beans and oil from such colonies are free of duty.

All three of these European countries now exercise a rigid control over imports through import licensing systems.

The average wholesale price of castor oil (medicinal) at New York was 13.2 cents per pound in 1929; it declined to 9.5 cents in 1933, and rose to 10.5 cents in 1936-37. In 1938-39, it was 9.5 cents per pound. With the outbreak of hostilities in Europe the average price rose because of the increased demand for wartime uses, from 8.5 cents per pound in August 1939 to 11 cents in the following October. Thereafter the price continued to rise, reaching a level of 13 cents in the first 4 months of 1940 (see table 6).

Table 6. - Castor oil, medicinal: Average wholesale price at New York, 1929-40

Year	Cents per pound	Month	Cents per pound
1929	13.2	1939	
1930	12.0	August	8.5
1931	11.5	September	9.1
1932	9.8	October	11.0
1933	9.5	November	11.4
1934	10.0	December	12.3
1935	10.1	1940	
1936	10.5	January	13.0
1937	10.5	February	13.0
1938	9.5	March	13.0
1939	9.5	April	13.0

Source: Bureau of Labor Statistics, U.S. Department of Labor.

Effects of the European war. - War conditions in Europe have doubtless curtailed the export of castor beans from Latin America and some important European markets have been lost entirely as a result of the blockade of European ports. A part of this loss may be offset by an increase in the demand for castor beans in the United Kingdom and the United States.

Cottonseed.

In both volume of output and oil-equivalent, cottonseed, a by-product of cotton, is the most important of the oil-bearing seeds and nuts. In international trade, however, it is relatively unimportant, most of it being processed within the country where grown.[1]

Position of Latin America in world production. - The world output of cottonseed, which usually ranges from 12 to 13 million short tons, increased to about 16 million in 1936-37 and to nearly 19 million in 1937-38; this record production was largely the result of the increased cotton crop in the United States in that year. The United States customarily produces about 35 percent of the total, and from two to three times as much as India, the second largest producer. The output of China and that of the Soviet Union both exceed that of Brazil, which is by far the largest producer in Latin America. Brazil, Peru, and Mexico together produce approximately 10 percent of the total world output. Cottonseed production in Brazil has increased rapidly; it rose from 315 thousand short tons in 1929-30 to 1,228 thousand short tons in 1937-38.

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[1] The average yield of a short ton of short-staple cottonseed is about 305 pounds (15 percent) of crude oil, about 900 pounds (45 percent) of cake or meal, about 515 pounds (26 percent) of hulls, and about 145 pounds (7 percent) of linters (cotton fiber). The remainder, averaging about 135 pounds, represents dirt, foreign material, and loss. U. S. Bureau of the Census, Cotton Production and Distribution, Bulletin No. 175, p. 47.

Latin American exports. - Scarcely more than 5 percent of the world output of cottonseed enters international trade in the form of seed, the total annual world imports amounting to between 500 thousand and 1 million short tons. The United Kingdom is by far the most important market, taking about 85 percent of the total. Japan is the only other importer of consequence. Egypt supplies about half the total world exports. Exports from Brazil - 121 thousand short tons in 1935, 90 thousand in 1936, and 68 thousand in 1938 - are less than 10 percent of Brazilian production; the decline after 1935 reflects the growth of the oil-milling industry in that country. Peru also reports small exports of cottonseed. Most of the exports from Latin America go to the United Kingdom. Exports of cottonseed from Brazil to principal markets, in specified years, 1929 to 1938, are shown in table 7.

Table 7. - Cottonseed: Exports from BRAZIL to principal markets, in specified years, 1929 to 1938

Exported to -	1929	1932	1936	1937	1938
	Quantity in 1,000 pounds				
Total, all countries	53,537	1,834	180,671	144,939	135,825
United Kingdom	53,272	1,834	174,825	138,264	
Germany	221	-	1,378	4,895	1/
Belgium	44	-	1,446	1,294	
All other countries	-	-	3,022	486	
	Value in 1,000 milreis				
Total, all countries	7,250	204	18,856	19,355	14,867
	Value in 1,000 U. S. dollars				
Total, all countries	856	15	1,233	1,321	862
United Kingdom	852	15	1,189	1,265	
Germany	3	-	9	38	1/
Belgium	1	-	13	12	
All other countries	-	-	22	6	
Unit value per pound of total exports	$0.016	$0.008	$0.007	$0.009	$0.006

1/ Not available.

Source: Compiled by the U. S. Tariff Commission from official trade statistics of Brazil. Converted to United States weights and currency by applying the following factors: 1 kilo = 2.2046 pounds; 1 milreis = 1929, $0.1181; 1932, $0.0712; 1936 $0.06537; 1937, $0.06826; 1938, $0.0580.

Brazilian exports of cottonseed oil, which amounted to 2.5 thousand short tons in 1934, increased to 25.7 thousand short tons in 1936.[1] Peruvian exports of cottonseed oil are negligible.

In the export trade of Latin America, cottonseed cake and meal play a much more important role than does cottonseed itself. Brazil now ranks second among world exporters of cottonseed cake and meal, and Peru ranks fourth. Of the total world exports in 1936, amounting to 563 thousand short tons, Egypt exported 221 thousand; Brazil, 185 shousand;[1] China, 91 thousand; and Peru, 50 thousand short tons. Exports from Brazil reflect the large increase in cotton production and cottonseed oil extraction which has occurred there in recent years. The comparative lack of intensive livestock feeding in Latin American countries limits domestic demand for concentrated feedstuffs, and thus necessitates the export of most of the oil cake produced. The major portion of the exports of Brazil and Peru goes to Denmark and the United Kingdom, which together take 80 to 90 percent of the total world exports of cottonseed cake and meal.

Trade barriers, competitive conditions, and prices. - The United States is the world's largest producer and consumer of cottonseed, but it neither exports nor imports significant quantities of that product in the form of seed. This country usually exports substantial amounts of cottonseed oil but in several recent years, because of the effects of droughts on the domestic production of other fats and oils, it has imported appreciable quantities of cottonseed.

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[1] Data for more recent years are not available.

Cottonseed entering the United States is dutiable at the rate of one-third of 1 cent a pound.[1] Cottonseed oil pays a duty of 3 cents a pound.[2] The United States produces more than one-third of the world output of cottonseed, but consumes practically its entire crop. Imports, which were substantial prior to 1927, have since been very small; in 1937 they amounted to 97 thousand short tons, of which 22.5 thousand tons came from Brazil. Exports have been insignificant since 1913. Since 1909 the United States has crushed about 75 percent of its output of cottonseed (the remainder being used for fertilizer or feed), and until 1922 found a ready market in Europe for substantial amounts of the oil.

Cottonseed cake and meal entering the United States is dutiable at three-tenths of 1 cent a pound.[3] Imports of cottonseed cake and meal into the United States have never been important; in 1937 they amounted to 21 thousand short tons. Domestic production in the same year totaled over 2 million short tons.

In the United Kingdom, the principal market for exports of Latin American cottonseed and its products (oil, cake, and meal), the duty on cottonseed is 3 percent ad valorem, and, on cottonseed oil and cottonseed cake and meal, 10 percent. Imports of these products from Empire countries (principally from India) are free of duty. Since the outbreak of the European war, however, imports of these products into the United Kingdom have been subject to rigid control under a system of import licenses.

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[1] Tariff Act of 1930, par. 762.
[2] Tariff Act of 1930, par. 54.
[3] Tariff Act of 1930, par. 730.

The price of cottonseed in the United States followed the general price trend during the period 1929-33; thereafter it was affected by the agricultural program of the United States for cotton. The average price for cottonseed received by farmers in the United States was high in 1929 ($30.97 per short ton) and low in 1931 ($8.91 per short ton). After 1931 the price increased slowly until 1934 when, as a result of restricted production, it reached $33.09 per short ton. The average price remained high in 1935-36 but declined by about one-third during the period 1937-39. Following the declaration of war in Europe the average price of cottonseed in the United States advanced from $16.24 per short ton in August 1939 to $20.56 in September. Thereafter it continued to rise, reaching a peak of $27.18 in April 1940. Since then the price has declined somewhat; it was $25.54 in June 1940 (see table 8).

The average wholesale price of edible cottonseed oil at New York has followed a trend somewhat similar to that of cottonseed. The average price of edible cottonseed oil, however, was lowest in 1932 (3.8 cents per pound) and highest in 1935 (10.4 cents per pound). Thereafter it declined, reaching 6.6 cents per pound in 1939. With the declaration of war in Europe the price of cottonseed oil advanced from 5.5 cents per pound in August 1939 to 7.1 cents in September. Since then the price has averaged about 6.8 cents per pound (see table 9).

Table 8. - Cottonseed: Prices[1] received by farmers in the United States, 1929-40

(Per short ton)

Year beginning July	Average price	Month	Average price
1929	$30.97	1939	
1930	22.09	July	$20.70
1931	8.91	August	16.24
1932	10.23	September	20.56
1933	12.85	October	22.88
1934	33.09	November	23.75
1935	30.54	December	24.75
1936	33.41		
1937	19.52	1940	
1938	21.80	January	26.00
1939	21.20	February	26.64
		March	26.84
		April	27.18
		May	26.69
		June	25.54

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[1] Annual prices are averages of the prices for the 15th of each month.

Source: Crops and Markets, U. S. Department of Agriculture.

Table 9. - Edible cottonseed oil: Average wholesale price at New York, 1929-40

Year	Cents per pound	Year and month	Cents per pound
1929	9.7	1939	
1930	8.1	August	5.5
1931	6.0	September	7.1
1932	3.8	October	6.8
1933	4.5	November	6.5
1934	6.5	December	6.9
1935	10.4		
1936	9.8	1940	
1937	9.2	January	6.9
1938	7.9	February	6.9
1939	6.6	March	6.7
		April	6.8

Source: Bureau of Labor Statistics, U. S. Department of Labor.

Effects of the European war. - The war in Europe is likely to result in a decline in Latin American exports of cottonseed and, more especially, of cottonseed cake and meal. Latin America's dependence on European markets, however, has been of great importance only for the cake and meal. Although the United States imported substantial quantities of cottonseed oil in some recent years largely as a result of domestic shortages of fats and oils, there appears little likelihood that it will require substantial imports in the immediate future. Latin America will probably find considerable difficulty in maintaining exports of cake and meal, inasmuch as the only large markets for these are in Europe.

Babassu nut kernels.

A Brazilian species of oil palm produces the babassu nuts of which the kernels are imported into the United States in considerable quantities for the production of babassu oil. The kernels yield about 65 percent of oil. This oil is similar in properties and uses to coconut oil. It is used principally in the production of margarine and other edible products, and in the manufacture of soap. The cake is used for livestock feed.

Brazilian production. - Brazil is the only important source of babassu nuts. The tree grows wild throughout the tropical regions in that country; more than 95 percent of the exports, however, come from the State of Maranhao. It has been estimated that the total annual yield of the Brazilian babassu forests exceeds 1 million short tons of kernels. As neither highways nor railroads penetrate the forests, collection of the nuts is practicable only in areas adjacent to river transportation. Several unsuccessful attempts at largescale exploitation of the babassu forests have been made by foreign firms. The failure of these attempts is attributed to the difficulties of gathering and transporting the nuts, and particularly to the unavailability of a satisfactory machine for cracking their thick, hard shell. Most of the nuts are cracked by arduous hand labor and the kernels picked out by women and children, 10 to 20 pounds of kernels representing a day's labor.

Brazilian exports. - Accurate data on production of babassu nut kernels in Brazil are not available. The quantities exported from Brazil, however, approximate production, inasmuch as there is little processing within the country. Exports from Brazil to principal markets, in specified years, 1929 to 1938, are shown in table 10.

Exports of babassu nuts during the period 1922-32 went to Europe, principally to Germany, the Netherlands, and Denmark. Since 1935 the greatly increased exports of these nuts have gone almost entirely to the United States, because United States excise taxes on certain oils and fats derived from imported materials have given a competitive advantage to babassu oil which remained free of duty and tax in this market.

In recent years small quantities of babassu oil have been exported from Brazil; in 1936 shipments totaled 424 short tons.1/ Official information on the distribution of these exports is not available.2/

1/ Data for more recent years are not available.
2/ Presumably such oil is shipped to the United States.

Brazil also exports small quantities of babassu oil cake and meal. Exports have averaged about 1 thousand short tons annually, and were taken principally by Germany and the United Kingdom.

Table 10. - Babassu nuts: Exports from BRAZIL to principal markets, in specified years, 1929 to 1938

Exported to -	1929	1932	1936	1937	1938
	Quantity in 1,000 pounds				
Total, all countries --	19,182	19,658	67,814	48,490	66,588
UNITED STATES --------	2	-	66,632	48,369	
Denmark --------------	3,334	3,236	674	-	
Germany --------------	12,413	6,742	314	1/	1/
Netherlands ----------	1,560	5,909	111		
All other countries -	1,873	3,771	83	121	
Percentage to the United States ----	2/	-	98.3	99.8	
	Value in 1,000 milreis				
Total, all countries --	6,109	5,086	39,122	39,641	38,565
	Value in 1,000 U.S. dollars				
Total, all countries --	722	362	2,557	2,706	2,237
UNITED STATES --------	3/	-	2,523	2,699	
Denmark --------------	123	58	21		
Germany --------------	470	125	8	1/	1/
Netherlands ----------	59	110	3		
All other countries -	70	69	2	7	
Percentage to the United States ----	2/	-	98.6	99.7	
Unit value per pound of total exports ----------	$0.038	$0.018	$0.038	$0.056	$0.034

1/ Not available.
2/ Less than one tenth of one percent.
3/ Not over $500.

Source: Compiled by the U. S. Tariff Commission from official trade statistics of Brazil. Converted to United States weights and currency by applying the following factors: 1 kilo = 2.2046 lbs.; 1 milreis = 1929, $0.1181; 1932, $0.0712; 1936, $0.06537; 1937, $0.06826; 1938, $0.0580.

Trade barriers, competitive conditions, and prices. - Both babassu kernels and babassu oil were bound by the United States free of duty and of import excise taxes in the trade agreement with Brazil, effective January 1, 1936. In the United States, babassu oil competes directly with coconut oil and palm-kernel oil, which in recent years have been subject to excise taxes in addition to duties.[1] United States statistics show imports of babassu nut kernels from Brazil in 1938 amounting to 25 thousand short tons, valued at $1,683,915, and in 1939 to 57 thousand short tons valued at $3,494,674. Though increasing, the imports of babassu nut kernels are very small as compared with the imports of copra and coconut oil, and of palm-kernel oil and palm kernels.

Prior to 1936 there were no published quotations of the price of babassu oil in the United States. The average price at New York in 1936 was 8 cents per pound; in 1937, it rose to 8.9 cents. Thereafter it declined to 6.4 cents in 1938-39. With the declaration of war in Europe the price rose from 5.8 cents in August 1939 to 7 cents in September and October. After October the price declined steadily, reaching 6.1 cents in May 1940 (see table 11).

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[1] Coconut oil from the Philippines, the principal source, is free of duty but subject to tariff quotas and to processing taxes.

Table 11. - Babassu oil: Average price per pound at New York, 1936-40

Year	Cents per pound	Year and month	Cents per pound	Year and month	Cents per pound
1936 1/	8.0	1939 -		1940 -	
1937 2/	8.9	August	5.8	January	6.5
1938	6.4	September	7.0	February	6.3
1939	6.4	October	7.0	March	6.2
		November	6.7	April	6.2
		December	6.6	May	6.1

1/ Earliest available year.
2/ Futures.

Source: Bureau of Agricultural Economics, U.S. Department of Agriculture.

Effects of the European war. - Practically all Brazilian exports of babassu nuts in recent years have gone to the United States, and so long as these nuts and the derived oil remain exempt from import and excise taxes in the United States as they now are under the trade agreement with Brazil, no other market is likely to attract them. Under these circumstances, therefore, war conditions in Europe are not likely to have any adverse effect on Latin American exports of babassu nuts.

Other oil-bearing seeds and nuts.

A wide variety of oil-bearing seeds and nuts, other than those mentioned above, grows in the Latin American area, but most of them are not yet commercially important. Brazil has the greatest potential resources of oil-bearing seeds and nuts, and, in connection with its program to foster industry,- is attempting to build up the domestic oil extraction industry.

Within the last few years several oil-bearing nuts (other than babassu nuts), grown principally on species of oil palms, have been exported from Brazil to the United States.[1] The more important of these are ouricury nuts, muru muru nuts, tucum nuts, and oiticica seeds.[2] Like the babassu palm, the trees which produce these nuts and seeds grow wild throughout large areas in tropical Brazil. Total exports of the most important of these from Brazil and exports to the United States are shown in table 12.

Ouricury kernels yield an oil similar to coconut oil; the oil of tucum kernels is a hard oil similar to palm oil which is suitable for edible purposes or for soap making. The oil from muru muru kernels is also employed in soap making. Oiticica oil, a high-grade drying oil, is said to have several advantages over linseed oil for paint. The exportation of oiticica seeds from Brazil was prohibited by governmental decree in November 1938. It is reported that 13 mills for the extraction of oiticica oil have been established in Brazil. The production of oiticica seeds in Brazil in 1936 was 22 thousand short tons; in 1937, 16 thousand tons; and in 1938, 26 thousand tons. Exports of oiticica oil to the United States from Brazil amounted to 1.4 thousand short tons in 1936, to 2 thousand tons in 1937, and to 2.7 thousand tons in 1938.

Almost all of Brazil's production of miscellaneous oil-bearing materials is exported, and practically all of the exports in recent years have gone to the United States. The war in Europe, therefore, is not likely to have any appreciable effect on this trade.

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[1] Not the West African oil palm, the source of the palm fruit which yields palm oil, palm nut kernels, and palm kernel oil.

[2] These nuts enter the United States free of duty and excise taxes.

Table 12. - Miscellaneous oil-bearing seeds and nuts: Exports from BRAZIL, 1935-38

(Quantity in short tons)

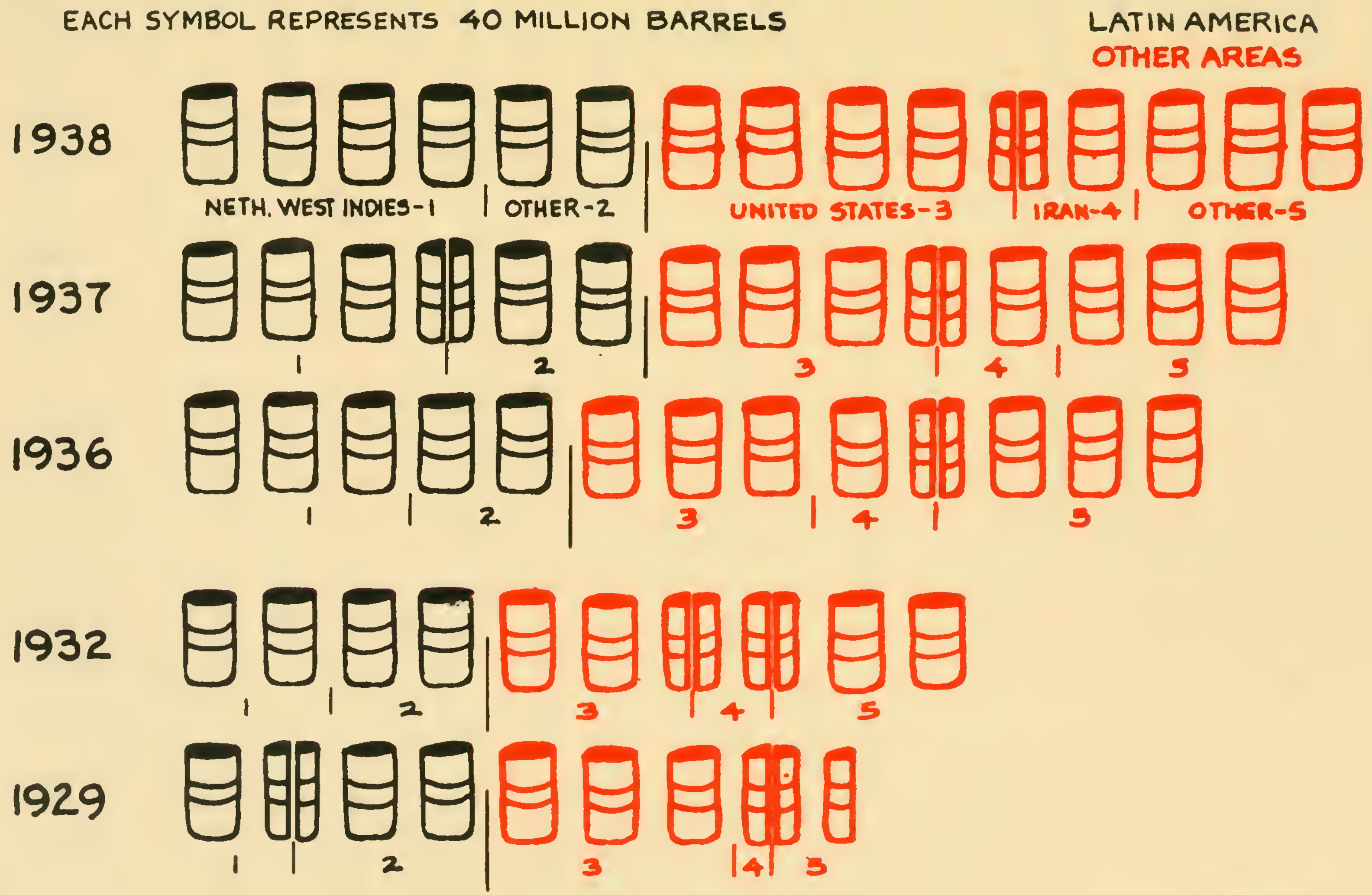
Commodity	1935	1936	1937	1938
	Total exports			
Ouricury nut kernels	-	1,783	3,548	1/
Muru muru nut kernels	317	1,393	2,191	
Tucum nut kernels	1,731	2,464	4,821	
Oiticica seeds	9	23	-	
	Exports to the United States			
Ouricury nut kernels	-	1/	3,398	1/
Muru muru nut kernels	1/		2,191	
Tucum nut kernels			4,683	
Oiticica seeds			1/	

1/ Not available.

Source: Compiled by the U.S. Tariff Commission from official trade statistics of Brazil.

PETROLEUM

PETROLEUM
WORLD EXPORTS
1929, 1932, 1936-1938



U.S. TARIFF COMMISSION, 1940.

Petroleum and Products

Crude petroleum is the source of many products which, because of their localized origins and their widespread use, form an important part of international trade. These products, including the crude oil, move from about 12 principal producing countries to every inhabited part of the world. Of the principal products derived from petroleum, gasoline, kerosene, gas and fuel oils, and lubricating oil constitute over 90 percent, in terms of both quantity and value.[1]

Position of Latin America in world production.

The three leading producers of crude petroleum are the United States (by far the largest producer), the Soviet Union, and Venezuela. World production of crude petroleum in 1939 amounted to slightly more than 2 billion barrels; of this amount the United States produced 63 percent, the Soviet Union 10.5 percent, and Venezuela 10 percent. Other important producers in that year were Iran (4 percent), the Netherlands Indies (3 percent), Rumania (2.3 percent), Mexico (2.1 percent), Iraq (1.5 percent), and Colombia (1.1 percent), (see table 1).

The trend of Latin American petroleum production, like that of the world, has been upward in recent years, and the proportion of the world output accounted for by Latin America as a whole has not changed materially in the period 1929-39. The six Latin American countries which are important producers of petroleum have been supplying about 15 percent of the world production of crude petroleum. In order of importance as producers of petroleum, these countries are: Venezuela, Mexico, Colombia, Argentina, Peru, and Ecuador.

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[1] The ratio expressed in terms of value is higher than that expressed in terms of quantity.

The major portion of the increase in Latin American production of petroleum in 1939 over 1929 was accounted for by Venezuela, which during that period supplied about two-thirds of the total Latin American output. Mexican production, which increased steadily from 1932 to 1937 and which was considerably above the 1929 level in the latter year, declined sharply in 1938 and though it had increased somewhat in 1939, remained below the 1929 figure.1/ In Colombia, the third most important Latin American producing country, output in 1939 was moderately above that of 1929; until very recently Colombian production was limited by the capacity of the pipe-line from the developed petroleum fields to the coast; in October 1939, however, a pipe-line to serve a new Colombian field was completed thus increasing substantially the capacity of Colombia as an exporter of petroleum. Argentina's production was almost twice as great in 1939 as in 1929 but was only about 6 percent of the total for the six Latin American countries. Peru's production was moderately greater in 1939 than in 1929, and Ecuador's production showed a large relative increase, but in 1939 Peru supplied only about 4 percent and Ecuador less than 1 percent of the total for the six countries.

All the important Latin American producing countries except Argentina produce more oil than they consume. Crude oil accounts for

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1/ Production in Mexico has been affected in 1938-39 by the controversy between the Government and foreign oil companies which have large interests in the Mexican oil industry.

nearly 90 percent (in quantity) of the total petroleum exports of the group. Colombia and Ecuador export only crude oils, and most of the crude oil from Venezuela is sent for the most part to the nearby Netherlands possessions for processing. Only Peru and Mexico export a significant portion of their petroleum production in the form of refined products.

The development of petroleum production in Latin American countries has been in large part financed and controlled by non-Latin American enterprises.

Table 1.- Crude petroleum: Production in principal producing countries of Latin America and of the world, in specified years, 1929 to 1939

Country	1929	1932	1936	1937	1938	1939 1/
	Quantity in 1,000 barrels					
Latin American countries:						
Venezuela	137,472	116,541	154,794	186,230	188,174	205,956
Mexico	44,688	32,805	41,028	46,690	38,279	42,779
Colombia	20,385	16,414	18,756	20,599	21,582	22,037
Argentina	9,391	13,139	15,458	16,355	17,076	18,486
Peru	13,422	9,899	17,593	17,457	15,839	13,508
Ecuador	1,381	1,597	1,942	2,161	2,246	2,313
Total	226,739	190,395	249,571	289,492	283,196	305,079
Other countries:						
UNITED STATES	1,007,323	785,159	1,099,687	1,279,160	1,214,355	1,264,256
Soviet Union 2/	3/ 99,507	154,367	186,206	193,241	204,956	212,500
Iran	42,145	49,471	62,718	77,804	78,372	78,151
Netherlands Indies	39,279	39,001	50,025	56,724	57,318	61,580
Rumania	34,758	53,815	63,659	52,452	48,366	45,996
Iraq	798	836	30,406	31,836	32,643	30,791
All other countries	35,318	36,633	49,268	58,305	68,517	78,419
Total **world** production	1,485,867	1,309,677	1,791,540	2,039,014	1,987,723	2,076,772
	Percent of world production					
Latin American countries listed above	15.3	14.5	13.9	14.2	14.2	14.7

1/ Preliminary.
2/ Exclusive of Sakhalin.
3/ Year ended September 30.

Source: U. S. Bureau of Mines.

Latin American exports.

Considering petroleum and products of petroleum together, the United States and Venezuela are by far the world's largest exporters; other important exporting countries (named in the order of their importance in 1938) are Iran, the Netherlands Indies, Rumania, Iraq, Colombia, Trinidad, Mexico, and Peru. Latin American countries account for nearly 40 percent (in terms of quantity) of total exports from the principal exporting countries, although they produce only 15 percent of the world's output. This situation has occurred because two of the largest producers, the United States and the Soviet Union, consume a very large part of their own production, whereas the Latin American countries, except Argentina and Mexico, export almost all the oil that they produce. In 1938 Venezuela alone accounted for 30 percent of all exports from the principal exporting countries.

Among the Latin American countries, Venezuela, Colombia, Mexico, and Peru are the principal exporters of petroleum and its products. Total exports from Latin America amounted in 1938 to 233 million barrels, of which Venezuela supplied nearly 80 percent, Colombia 8 percent, Mexico 6 percent, and Peru 5.5 percent.

Outside of the United States and the Soviet Union, which lead in consumption as well as production of petroleum, the leading markets for this product are the United Kingdom, France, Canada, Germany, and Japan. From 80 to 90 percent of the total imports of the United Kingdom and Germany are refined products, whereas France and Canada for the most part process imported crude in local refineries. In spite of its dominant position in petroleum production, the United States ranks second only to the United Kingdom in volume of imports. In the United States the domestic industry has an extensive export business in both crude petroleum and products, and uses some crude and heavy fuel oil from Latin American countries either as raw material for exports or for domestic consumption.

Although international trade statistics show that the Netherlands West Indies is the largest importer of crude petroleum in the world, most of its imported oil is shipped to consuming countries in the form of refined products. Two very large refineries on the islands operate almost entirely on Venezuelan crude, and receive three-fourths of Venezuela's exports, so that in an economic sense, Venezuela and the Netherlands West Indies form a unit in the producing industry.1/

The Netherlands West Indies are one of the three largest exporters of petroleum and petroleum products in the world. In 1938 exports from this area amounted to nearly 163 million barrels. Of this amount, fuel oil constituted 60 percent, gasoline 19 percent, and diesel oil and gas oil 6 percent each; the remaining 9 percent consisted of kerosene, lubricating oil, and crude oil. The principal markets have been the United Kingdom, the United States, the Netherlands, and Germany. Exports of heavy fuel oil, the largest single classification in exports from the Netherlands West Indies, aggregated 97.4 million barrels in

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1/ In recent years approximately one-half of the exports of crude petroleum from Colombia has also been sent to the Netherlands West Indies for refining and export. Such Colombian exports amounted to 8.5 million barrels in 1938; exports of crude petroleum from Venezuela to the Netherlands West Indies amounted to 145 million barrels in that year (see tables 6 and 21 at the end of this section).

1938. These exports went to a large number of countries, among the more important of which were the United States (26.6 percent), the United Kingdom (14.3 percent), Argentina (9.1 percent), Germany (6.7 percent), Italy (5.6 percent), the Netherlands (4.7 percent), French Africa (4 percent), Brazil (3.3 percent), Gibraltar (2.6 percent), Panama Canal Zone (2.4 percent), and France (2.2 percent).1/

Exports of petroleum and products from the principal producing countries of Latin America, in specified years, 1929 to 1938, are shown in table 2. Exports from these countries to principal markets, in specified years, 1929 to 1938, are shown in tables 4 to 23 at the end of this section.

1/ Apart from heavy fuel oil, the principal petroleum products exported from the Netherlands West Indies have been gasoline, diesel oil, gas oil, kerosene, lubricating oil, and crude oil. Exports of gasoline from the Netherlands West Indies amounted in 1938 to 31 million barrels, of which the United Kingdom took 56 percent, the Netherlands 11 percent, Germany 5 percent, Brazil 4 percent, and Sweden 3 percent. Exports of diesel oil in 1938 were 9.8 million barrels; of this amount 24 percent went to the United Kingdom and 10 percent each to Norway and the Netherlands; other markets were Gibraltar, Germany, the Canary Islands, and the Panama Canal Zone. Exports of gas oil, amounting to 9.6 million barrels in 1938, went principally to the United Kingdom (23 percent), the Netherlands (22 percent), Germany (15 percent), and Sweden (12 percent). Kerosene, aggregating 5.2 million barrels in that year, was sold to the United Kingdom (29 percent), the Netherlands (21 percent), the United States (12 percent), and Sweden (8 percent). Lubricating oil (2.3 million barrels in 1938) went to the United States (42 percent), the Netherlands (36 percent), the United Kingdom (14 percent), and Germany (8 percent). Exports of crude oil in 1938 amounted to 7.8 million barrels, of which the Netherlands took 35 percent, France 25 percent, the United States 20 percent, and Italy 14 percent.

Table 2. - Petroleum and products (gasoline, kerosene, gas and fuel oils and lubricating oil): Exports from principal producing countries of Latin America, and from other producing countries, in specified years, 1929 to 1938

Exported from -	1929	1932	1936	1937	1938
	Quantity in 1,000 barrels				
Venezuela	129,765	113,900	157,025	174,850	185,126
Colombia	18,479	15,855	16,437	17,743	18,453
Mexico	25,339	1/ 21,178	22,605	21,901	13,803
Peru	11,812	8,741	15,850	15,820	13,135
Ecuador	1,185	1,464	1,281	1,889	1,686
Argentina	58	433	679	708	541
Total exports from above Latin American countries	186,638	161,571	213,877	232,911	232,744
UNITED STATES	205,084	97,047	123,619	164,330	185,492
Iran	2/ 38,318	2/ 37,998	3/ 49,421	3/ 57,977	67,312
Netherlands Indies	26,969	29,418	39,901	44,275	45,026
Rumania	21,518	38,750	51,887	42,825	34,424
Iraq	-	-	27,536	29,485	30,955
Trinidad	8,237	9,628	12,408	14,097	16,383
Soviet Union	4/ 27,253	45,324	19,263	11,391	4,916
Total exports from countries listed above	514,017	419,736	537,912	597,291	617,252
	Percent of total exports from countries listed above				
Latin American countries listed above	36.3	38.5	39.8	39.0	37.7

1/ Statistics are for year 1933.
2/ Year ended March 21.
3/ Year ended June 21.
4/ Year ended September 30.

Source: International Petroleum Trade.

Note: Exports from the Netherlands West Indies are not included in this table because such exports would duplicate those of certain Latin American countries.

Trade barriers, competitive conditions, and prices.

Crude petroleum and its products enter the United States free of duty,[1] but since the passage of the Revenue Act of 1932, they have been subject to import excise taxes.[2] The tax on crude and topped crude petroleum and fuel oil including gas oil was reduced in the trade agreement with Venezuela (provisionally effective December 16, 1939) from 0.5 cent per gallon to 0.25 cent per gallon; the reduction, however, is limited by quota to a combined quantity of these products not greater than 5 percent of the quantity of crude petroleum refined in United States refineries in the preceding year. The agreement also provided for the continued free entry of these same products for ships' stores (mainly fuel oil).

The United Kingdom, which is the largest market for petroleum and petroleum products moving in international trade, imposes a duty of 10 percent ad valorem on imports of crude petroleum and higher duties on refined products. Both petroleum and its products, whem imported from Empire countries, are free of duty, but such countries are unimportant suppliers.

Other important export markets for petroleum have been Canada, France, Germany, and Japan. Crude petroleum is admitted free of duty in Canada, but refined products are dutiable and preferences are

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1/ Tariff Act of 1930, par. 1733.

2/ As originally enacted, these taxes, applicable only to imports, were as follows: Crude petroleum, 1/2 cent per gallon; fuel oil derived from petroleum, gas oil derived from petroleum, and all liquid derivatives of crude petroleum, except lubricating oil and gasoline or other motor fuel, 1/2 cent per gallon; gasoline or other motor fuel, 2-1/2 cents per gallon; lubricating oil, 4 cents per gallon; paraffin and other petroleum wax products, 1 cent per pound.

accorded to Empire countries. In France petroleum and its products are dutiable and the domestic refining industry has been encouraged by a substantial reduction in duty if the imported oil is processed in designated French refineries. Refined products are dutiable at higher rates than is crude petroleum. Imports from French colonies are admitted free of duty from the assimilated colonies and at minimum tariff rates from the others. The German duty on lubricating oils is 14 reichsmarks ($5.60) per 100 kilos and on all other mineral oils, crude or refined, 21 reichsmarks ($8.40) per 100 kilos. Crude oil and specified refined products, destined for certain specific uses, however, are admitted free of duty or at reduced rates. Importers of motor fuels are required to purchase specified amounts of alcohol from the German alcohol monopoly. In Japan the domestic refining industry is assisted by the imposition of higher duties on imports of the refined product than on those of crude petroleum, but duties in Japan may be waived on products urgently required by the State.

More important than tariffs, however, are the systems of exchange control and import licensing which most of the above-named countries now employ in the control of imports. These systems may be so operated as to make impossible the importation of a commodity even though it be free of duty, or they may be utilized to stimulate imports. In view of the urgent need of most of these countries for petroleum and its products, it may be assumed that their trade policies have been so adjusted as to permit the acquisition of adequate supplies. These systems may also be employed to determine the sources from which imports are derived.

The principal markets for Latin American petroleum (other than the United States) are chiefly the populous, industrial countries of western Europe. All of these countries are deficient in petroleum resources, and among them only Germany has made any considerable progress toward overcoming its deficiency by the use of synthetic substitutes. In western Europe, Latin American oil meets competition from oil produced in Rumania, Iraq, and Iran, as well as from the surplus United States output produced in the Mid-continent region and exported from Gulf coast points. The United States, however, is an important market for Latin American oil, in spite of its dominant position in the production of crude oil and its high position as an exporter of crude and refined oils. It takes chiefly crude oil direct from Latin American countries and fuel oil produced in the Netherlands West Indies from Latin American crude. This situation is the result of several factors, including proximity to markets, the relative scarcity of low-grade crude in the United States, company affiliations, and refining for reexport. New York and other Atlantic points are closer by water to northern South America than to Gulf ports. More important is the fact that United States crude oil (except most of the California product) is relatively light in gravity, whereas the Latin American crude is nearly all heavy. The production of fuel oil from the light crude from which a high percentage of gasoline can be obtained would be a wasteful and unprofitable utilization of domestic resources as compared with the production of fuel oil from the heavier imported crude.

Moreover, the principal producers and refiners in Latin America are subsidiaries or affiliates of United States companies engaged in refining and marketing domestic crude, especially in the Atlantic coast area.

During 1939, United States production of crude petroleum was over 1,200 million barrels. Imports of petroleum and petroleum products amounted to 62 million barrels, and exports to 184 million barrels. Heavy fuel oil and heavy crude, which yields chiefly fuel oil, accounted for more than 90 percent of the total imports. Exports consisted of 72 million barrels of crude, 42 million barrels of gasoline, 46 million barrels of gas and fuel oils, and 24 million barrels of kerosene, lubricating oil, and minor products. In value, exports exceeded imports by more than 343 million dollars.

The price of petroleum in the United States is affected by a number of factors, including the degree of industrial activity, the discovery of new fields, State control programs, and the demand for and supply of oil abroad. The average annual prices of crude petroleum at the wells has followed fairly closely the general trend of commodity prices during the period 1929-39. It was high in 1929 and 1937, and low in the period 1931-33. But unlike the price behavior of many other commodities, the price of petroleum was considerably higher in 1932 than in either 1931 or 1933. After 1937, the price declined, and in 1939 stood at $1 per barrel (see table 3).

Table 3. - Petroleum, crude: Annual average prices in the United States at the wells, 1929-39

Year	Average annual price
	Per barrel
1929	$1.27
1930	1.19
1931	.65
1932	.87
1933	.67
1934	1.00
1935	.97
1936	1.09
1937	1.18
1938	1.13
1939 1/	1.00

1/ Preliminary.

Source: Bureau of Mines.

Effects of the European war.

Petroleum and its principal products, gasoline, fuel oil, and lubricating oil, are strategic war materials. Airplanes and motorized equipment are dependent upon gasoline and lubricating oil, and the operation of navies and merchant marines is dependent upon fuel oil and lubricating oil.

As a result of the blockade of European ports, the European market for Latin American petroleum has been greatly restricted. The demand for petroleum in the United Kingdom, however, has been increased, offsetting in part the decline in shipments to other European countries. Should wartime transportation conditions lessen the ability of the United Kingdom to obtain petroleum from Asiatic countries, it might secure an even larger share of its imports from Latin America.

Table 4. - Petroleum and products (gasoline, kerosene, gas and fuel oils, and lubricating oil): Exports from ARGENTINA to principal markets, in specified years, 1929 to 1938

Exported to -	1929 1/	1932 1/	1936	1937	1938
	Quantity in 1,000 barrels of 42 gallons				
Total, all countries	58	433	679	708	541
United Kingdom	2/	186	325	371	239
France	2/	86	144	141	150
Paraguay	1	14	21	14	26
Uruguay	10	12	57	35	30
Brazil	2/	1	35	33	7
Germany	2/	4	28	21	25
Norway	-	8	9	21	17
Italy	2/	64	8	18	16
UNITED STATES	2/	17	26	16	12
All other countries	3/ 47	41	26	38	19
Percentage to the United States	4/	3.8	3.8	2.3	2.2
	Value in 1,000 paper pesos				
Total, all countries	338	1,779	4,065	3,966	3,390
	Value in 1,000 U. S. dollars				
Total, all countries	5/ 141	457	1,186	1,224	1,008
United Kingdom	2/	184	435	501	328
France	2/	92	183	191	194
Paraguay	7	15	128	102	164
Uruguay	70	24	110	83	105
Brazil	3	4	159	143	52
Germany	1	4	46	28	41
Norway	-	9	12	46	33
Italy	2/	65	10	22	27
UNITED STATES	2/	18	42	26	20
All other countries	3/ 60	42	61	82	44
Percentage to the United States	0.1	4.0	3.5	2.1	2.0

1/ Exports of fuel oil only prior to 1933.
2/ Not over 500.
3/ Includes 47,286 barrels valued at $59,673 exported to British possessions.
4/ Less than one-tenth of 1 percent.
5/ For 1929 and 1932 the U. S. dollar value has been converted from the gold peso value. One gold peso is equal to 2.272727 paper pesos. The conversion rates for the gold peso are as follows: 1929, $0.9513; 1932, $0.5844.

Source: Compiled by the U. S. Tariff Commission from official trade statistics of Argentina. Converted to United States currency by applying the following factors: 1 peso = 1929, $0.4186; 1932, $0.2571; 1936, $0.2918; 1937, $0.3086; 1938, $0.2973.

Table 5. - Fuel and gas oil (including Diesel): Exports from ARGENTINA to principal markets, in specified years, 1929 to 1938

Exported to -	1929 1/	1932 1/	1936	1937	1938
	Quantity in 1,000 barrels of 42 gallons				
Total, all countries	58	433	653	695	515
United Kingdom	2/	186	325	371	239
France	2/	86	144	141	150
Uruguay	10	12	55	33	26
Germany	2/	4	28	21	25
Italy	2/	64	8	18	16
Paraguay	1	14	7	6	8
UNITED STATES	2/	17	26	16	12
Brazil	2/	1	30	31	3
All other countries	3/ 47	49	30	58	36
Percentage to the United States	4/	3.8	4.0	2.3	2.3
	Value in 1,000 paper pesos				
Total, all countries	338	1,779	3,343	3,414	2,515
	Value in 1,000 U. S. dollars				
Total, all countries	5/ 141	457	975	1,054	748
United Kingdom	2/	184	427	495	326
France	2/	92	183	190	194
Uruguay	70	24	80	56	49
Germany	1	4	45	27	40
Italy	2/	65	10	22	26
Paraguay	7	15	16	20	23
UNITED STATES	2/	18	41	26	20
Brazil	3	4	116	119	6
All other countries	3/ 60	51	57	99	64
Percentage to the United States	0.1	4.0	4.2	2.4	2.7
Unit value per barrel of total exports 6/	$2.42	$1.06	$1.49	$1.52	$1.45

1/ Exports of fuel oil only, prior to 1933.
2/ Not over 500.
3/ Includes 47,286 barrels valued at $59,673 exported to British possessions.
4/ Less than one-tenth of 1 percent.
5/ For 1929 and 1932 the U. S. dollar value has been converted from the gold peso value. One gold peso is equal to 2.272727 paper pesos. The conversion rates for the gold peso are as follows: 1929, $0.9513; 1932, $0.5844.
6/ The unit values appearing in this and other tables should be interpreted with caution, especially when comparing the unit values of the exports of one country with those of another. Exports from the different Latin American countries, though of the same commodity, frequently are of different types or grades. Moreover, different methods of valuation are employed by the various countries and some countries have changed their method of valuation during the period 1929-38.

Source: Compiled by the U. S. Tariff Commission from official trade statistics of Argentina. Converted to United States measures and currency by applying the following factors: Gas oil and Diesel oil = 7.25 barrels to metric ton; fuel oil = 6.66 barrels to 1 metric ton; 1 peso = 1929, $0.4186; 1932, $0.2571; 1936, $0.2918; 1937, $0.3086; 1938, $0.2973.

Table 6. - Petroleum, crude: Exports from COLOMBIA to principal markets, in specified years, 1929 to 1938

Exported to -	1929	1932	1936	1937	1938
	Quantity in 1,000 barrels of 42 gallons				
Total, all countries	18,479	15,855	16,437	17,743	18,453
Netherlands West Indies	-	1,236	8,923	9,651	8,470
Canada	3,867	2,359	4,067	3,652	6,035
France	1/	-	2,671	2,794	2,813
Italy	202	529	403	651	733
Argentina	313	291	168	273	83
UNITED STATES	12,578	11,296	-	431	-
All other countries	2/ 1,519	144	205	291	319
Percentage to the United States	68.1	71.2	-	2.4	-
	Value in 1,000 pesos				
Total, all countries	27,016	16,329	28,269	35,079	37,206
	Value in 1,000 U. S. dollars				
Total, all countries	26,141	15,561	16,161	19,841	20,810
Netherlands West Indies	-	1,024	8,481	10,340	9,329
Canada	5,503	2,636	3,874	3,990	6,473
France	1/	-	2,957	3,548	3,569
Italy	286	575	444	844	934
Argentina	444	304	177	319	108
UNITED STATES	17,787	10,874	-	453	-
All other countries	2/ 2,121	148	228	347	397
Percentage to the United States	68.0	69.9	-	2.3	-
Unit value per barrel of total exports 3/	$1.42	$0.981	$0.983	$1.12	$1.13

1/ Not over 500.

2/ Includes 1,299,086 barrels, valued at $1,787,119 exported to the United Kingdom.

3/ See footnote 6, table 5.

Source: Compiled by the U. S. Tariff Commission from official trade statistics of Colombia. Converted to United States measures and currency by applying the following factors: 7.17 barrels equal 1 metric ton; 1 peso = 1929, $0.9676; 1932, $0.9530; 1936, $0.5717; 1937, $0.5656; 1938, $0.5593.

Table 7. - Petroleum, crude: Exports from ECUADOR to principal markets, in specified years, 1929 to 1938

Exported to -	1929	1932	1936	1937	1938
	Quantity in 1,000 barrels of 42 gallons				
Total, all countries	1,185	1,462	1,281	1,889	1,686
Uruguay	-	-	128	739	644
Brazil	-	-	49	233	349
United Kingdom	-	1/	155	78	304
France	-	144	276	574	199
Japan	-	-	-	193	190
UNITED STATES	1,178	854	-	-	-
All other countries	7	170	29	1	-
Percentage to the United States	99.4	58.4	-	-	-
	Value in 1,000 sucres				
Total, all countries	15,143	14,481	13,437	21,989	26,374
	Value in 1,000 U. S. dollars				
Total, all countries	3,029	2,414	1,279	2,001	1,966
Uruguay	-	-	2/	2/	2/
Brazil	-	-			
United Kingdom	-	2/			
France	-	238			
Japan	-	-			
UNITED STATES	3,028	1,410			
All other countries	1	280			
Percentage to the United States	99.9	58.4			
Unit value per barrel of total exports 3/	$2.56	$1.65	$0.999	$1.06	$1.17

1/ Not over 500.
2/ Not shown separately.
3/ See footnote 6, table 5.

Source: Compiled by the U. S. Tariff Commission from official trade statistics of Ecuador; statistics of Pan American Union; and International Petroleum Trade. Converted to United States measures and currency by applying the following factors: 7.59 barrels = 1 metric ton; 1 sucre = 1929, $0.2000; 1932, $0.1667; 1936, $0.0952; 1937, $0.0910; 1938, $0.0746.

Table 8. - Petroleum and products (except asphalt and emulsions and solutions of): Exports from MEXICO to principal markets, in specified years, 1929 to 1938

Exported to -	1929	1933	1936	1937	1938
	Quantity in 1,000 barrels of 42 gallons				
Total, all countries -	25,339	21,178	22,605	21,901	13,803
United Kingdom -----	1,480	6,474	5,906	4,533	5,340
UNITED STATES ------	14,735	7,511	8,486	7,312	2,942
Germany ------------	1,116	1,788	2,458	2,259	1,982
Netherlands West Indies ------------	1,035	299	2,903	4,420	1,108
Bahama Islands -----	1/ 4,220	853	357	790	75
Brazil -------------	603	1,234	474	451	30
Argentina ----------	823	1,150	124	25	2/
All other countries	1,327	1,869	1,897	2,111	2,326
Percentage to the United States ---	58.2	35.5	37.5	33.4	21.3
	Value in 1,000 pesos				
Total, all countries -	77,386	76,213	134,949	138,526	71,751
	Value in 1,000 U. S. dollars				
Total, all countries -	37,287	21,418	37,462	38,441	15,873
United Kingdom -----	1,422	8,221	11,963	10,310	6,458
UNITED STATES ------	14,879	3,780	8,958	7,914	2,479
Germany ------------	1,561	800	2,864	2,627	2,211
Netherlands West Indies ------------	1,691	650	8,408	11,332	1,954
Bahama Islands -----	1/10,728	2,924	1,410	2,073	294
Brazil -------------	1,988	1,860	1,109	1,319	82
Argentina ----------	2,381	1,289	231	56	2/
All other countries	2,637	1,894	2,519	2,810	2,395
Percentage to the United States ---	39.9	17.6	23.9	20.6	15.6

1/ Classified in 1929 as British West Indies; probably most of the exports were to the Bahama Islands as British West Indies are not listed in later years. (Bahama Islands only shown).

2/ Not shown separately.

Footnotes continued on following page.

ote:

1929 - All countries shown.

1933 - United States shown separately for crude petroleum, combustible fuel oil, and crude gasoline only.
Argentina not shown separately for crude petroleum and gas oil, crude gasoline, and crude kerosene.
Brazil not shown separately for crude petroleum.
Germany shown separately for crude petroleum and gas oil only.
Bahama Islands shown separately for refined oils and lubricants only.
United Kingdom shown for all petroleum, except crude gasoline and crude kerosene.

1936 - United States not shown separately for gasoline.
Bahamas not shown separately for crude petroleum and fuel oil.
Argentina not shown separately for crude petroleum and gas oil.
Brazil not shown separately for crude petroleum.
Germany not shown separately for gasoline, kerosene, and lubricating oil.

1937 - United States not shown separately for gasoline.
Bahama Islands not shown separately for crude petroleum and fuel oil.
Argentina not shown separately for crude petroleum and gas oil.
Brazil not shown separately for crude petroleum.
Germany not shown separately for gasoline, kerosene, and lubricating oil.
United Kingdom not shown separately for gasoline.

1938 - United States not shown separately for gasoline.
Brazil shown separately for gasoline, kerosene, and lubricants only.
Germany shown separately for fuel and gas oil, and petroleum, crude, only.
Bahama Islands shown separately for gasoline, kerosene, and lubricants only.
Netherlands West Indies not shown separately for fuel oil.
United Kingdom shown for all petroleum.

Source: Compiled by the U. S. Tariff Commission from official trade statistics of Mexico. Converted to United States measures and currency by applying the following factors: 1 cubic meter = 6.289773 barrels; 1 peso = 1929, $0.4818; 1933, $0.2810; 1936, $0.2776; 1937, $0.2775; 1938, $0.2212.

Table 9. - Petroleum, crude: Exports from MEXICO to principal markets, in specified years, 1929 to 1938

Exported to -	1929	1933 1/	1936	1937	1938
	Quantity in 1,000 barrels of 42 gallons				
Total, all countries	15,470	11,082	6,836	7,459	4,840
UNITED STATES	12,355	6,193	4,204	3,725	2,180
United Kingdom	430	2,717	2/	95	1,155
Germany	933	1,772	2,295	2,133	567
All other countries	1,752	400	337	1,506	3/ 938
Percentage to the United States	79.9	55.9	61.5	49.9	45.0
	Value in 1,000 pesos				
Total, all countries	32,813	17,126	28,369	28,746	17,226
	Value in 1,000 U. S. dollars				
Total, all countries	15,809	4,812	7,875	7,977	3,810
UNITED STATES	12,498	2,685	4,852	3,997	1,791
United Kingdom	462	1,179	2/	95	915
Germany	1,018	776	2,643	2,425	406
All other countries	1,831	172	380	1,460	3/ 698
Percentage to the United States	79.1	55.8	61.6	50.1	47.0
Unit value per barrel of total exports 4/	$1.02	$0.434	$1.15	$1.07	$0.787

1/ Crude petroleum, heavy only; light not shown (amounts to about 3,000 barrels according to Foreign Commerce Yearbook).

2/ Not over 500.

3/ Includes 517,000 barrels valued at $400,000 exported to Belgium.

4/ See footnote 6, table 5.

Source: Compiled by the U. S. Tariff Commission from official trade statistics of Mexico. Converted to United States measures and currency by applying the following factors: 1 cubic meter = 6.289773 barrels; 1 peso = 1929, $0.4818; 1933, $0.2810; 1936, $0.2776; 1937, $0.2775; 1938, $0.2212.

Table 10. - Gasoline: Exports from MEXICO to principal markets, in specified years, 1929 to 1938

Exported to -	1929	1933	1936	1937	1938
	Quantity in 1,000 barrels of 42 gallons				
Total, all countries	1,790	2,278	4,272	4,392	2,715
United Kingdom	-	900	1,147	493	1,179
Netherlands West Indies 1/	57	215	2,532	3,083	960
Bahama Islands 2/	352	506	158	365	19
Brazil	402	361	199	281	10
Chile	37	38	155	92	1
Argentina	380	167	54	3/	-
All other countries	562	91	27	78	546
	Value in 1,000 pesos				
Total, all countries	12,502	18,153	46,625	49,029	22,676
	Value in 1,000 U. S. dollars				
Total, all countries	6,024	5,101	12,943	13,605	5,016
United Kingdom	-	2,082	3,450	1,536	2,275
Netherlands West Indies 1/	191	474	7,687	9,569	1,807
Bahama Islands 2/	1,178	1,096	506	1,073	40
Brazil	1,329	811	587	886	24
Chile	118	83	491	297	1
Argentina	1,234	365	141	1	-
All other countries	1,974	190	81	243	869
Unit value per barrel of total exports 4/	$3.37	$2.24	$3.03	$3.10	$1.85

1/ Classified as Netherlands Indies only in 1929; probably includes both Netherlands East and Netherlands West Indies.

2/ Classified in 1929 as British West Indies; probably most of the exports were to the Bahama Islands, as British West Indies are not listed in later years (Bahama Islands only shown).

3/ Not over 500.

4/ See footnote 6, table 5.

Source: Compiled by the U. S. Tariff Commission from official trade statistics of Mexico. Converted to United States measures and currenc by applying the following factors: 1 cubic meter = 6.289773 barrels; 1 peso = 1929, $0.4818; 1933, $0.2810; 1936, $0.2776; 1937, $2775; 1938, $0.2212.

Table 11. - Kerosene: Exports from MEXICO to principal markets, in specified years, 1929 to 1938

Exported to -	1929	1933	1936	1937	1938
	Quantity in 1,000 barrels of 42 gallons				
Total, all countries	1,486	589	607	692	138
United Kingdom	66	113	379	417	99
Bahama Islands 1/	561	213	42	78	21
Brazil	185	104	69	158	14
Argentina	287	42	21	25	-
All other countries	387	117	96	14	4
	Value in 1,000 pesos				
Total, all countries	8,206	4,398	4,323	5,403	921
	Value in 1,000 U. S. dollars				
Total, all countries	3,954	1,236	1,200	1,499	204
United Kingdom	176	244	767	913	145
Bahama Islands 1/	1,496	443	86	153	32
Brazil	479	216	140	349	21
Argentina	768	89	45	55	-
All other countries	1,035	244	162	29	6
Unit value per barrel of total exports 2/	$2.66	$2.10	$1.98	$2.17	$1.48

1/ Classified in 1929 as British West Indies; probably most of the exports were to the Bahama Islands, as British West Indies are not listed in later years. (Bahama Islands only shown).

2/ See footnote 6, table 5.

Source: Compiled by the U. S. Tariff Commission from official trade statistics of Mexico. Converted to United States measures and currency by applying the following factors: 1 cubic meter = 6.289773 barrels; 1 peso = 1929, $0.4818; 1933, $0.2810; 1936, $0.2776; 1937, $0.2775; 1938, $0.2212.

Table 12. - Fuel and gas oil 1/: Exports from MEXICO to principal markets, in specified years, 1929 to 1938

Exported to -	1929	1933	1936	1937	1938
	Quantity in 1,000 barrels of 42 gallons				
Total, all countries	6,147	6,884	10,515	8,957	6,021
United Kingdom	984	2,566	4,133	3,190	2,867
Germany	152	15	163	127	1,414
UNITED STATES	2,012	1,318	4,282	3,586	762
Cuba	407	2/	578	482	284
Netherlands West Indies	964	2/	290	621	82
Bahama Islands 3/	1,465	2/	78	308	2/
All other countries	163	4/2,985	991	643	612
Percentage to the United States	32.7	19.1	40.7	40.0	12.7
	Value in 1,000 pesos				
Total, all countries	11,695	24,427	43,409	42,580	28,414
	Value in 1,000 U. S. dollars				
Total, all countries	5,635	6,864	12,050	11,816	6,285
United Kingdom	781	3,067	5,489	4,747	2,875
Germany	146	24	222	202	1,805
UNITED STATES	1,238	1,095	4,101	3,913	687
Cuba	254	2/	563	515	219
Netherlands West Indies	1,456	2/	443	1,075	107
Bahama Islands 3/	1,627	2/	133	535	2/
All other countries	133	4/2,738	1,099	829	592
Percentage to the United States	22.0	16.0	34.0	33.1	10.9
Unit value per barrel of total exports 5/	$0.917	$0.997	$1.15	$1.32	$1.04

1/ Country detail for all years does not include all gas and fuel oil, as only important countries listed in trade statistics; negligible amounts for countries may be included in "all other countries."

2/ Not shown separately.

3/ Classified in 1929 as British West Indies; probably most of the exports were to the Bahama Islands as British West Indies are not listed in later years (Bahama Islands only shown).

4/ Includes 762,031 barrels valued at $766,619 exported to Brazil, and 932,453 barrels valued at $741,836 exported to Argentina; not shown separately or negligible in other years.

5/ See footnote 6, table 5.

Source: Compiled by the U. S. Tariff Commission from official trade statistics of Mexico. Converted to United States measures and currency by applying the following factors: 1 cubic meter = 6.289773 barrels; 1 peso = 1929, $0.4318; 1933, $0.2810; 1936, $0.2776; 1937, $0.2775; 1938, $0.2212.

Table 13. - Lubricating oil: Exports from MEXICO to principal markets, in specified years, 1929 to 1938

Exported to -	1929	1933	1936	1937	1938
	Quantity in 1,000 barrels of 42 gallons				
Total, all countries	446	345	375	401	889
United Kingdom	1/	179	247	338	40
Bahama Islands 2/	374	135	78	39	35
Brazil	13	7	19	9	6
Chile	5	3	3	9	6
Argentina	17	9	1	-	3/
All other countries	37	12	27	6	2
	Value in 1,000 pesos				
Total, all countries	12,170	12,109	12,223	12,768	2,514
	Value in 1,000 U. S. dollars				
Total, all countries	5,863	3,403	3,393	3,543	556
United Kingdom	3	1,708	2,257	3,019	248
Bahama Islands 2/	4,902	1,384	685	311	222
Brazil	175	67	169	80	37
Chile	74	29	26	76	35
Argentina	229	94	6	-	3/
All other countries	480	121	250	57	14
Unit value per barrel of total exports 4/	$13.15	$9.87	$9.04	$8.83	$6.27

1/ Not over 500.

2/ Classified in 1929 as British West Indies; probably most of the exports were to the Bahama Islands as British West Indies are not listed in later years (Bahama Islands only shown).

3/ Not shown separately.

4/ See footnote 6, table 5.

Source: Compiled by the U. S. Tariff Commission from official trade statistics of Mexico. Converted to United States measures and currency by applying the following factors: 1 cubic meter = 6.289773 barrels; 1 peso = 1929, $0.4818; 1933, $0.2810; 1936, $0.2776; 1937, $0.2775; 1938, $0.2212.

Table 14. - Asphalt: Exports from MEXICO to principal markets, in specified years, 1929 to 1938

Exported to -	1929	1933	1936	1937	1938
	Quantity in long tons				
Total, all countries	279,906	136,384	289,844	336,945	108,206
Australia	39,875	32,317	81,722	121,888	25,699
United Kingdom	17,024	30,581	[1] 38,979	42,859	18,380
France	20,961	[2]	3,080	14,479	11,110
Germany	48,631	15,930	27,814	29,379	9,792
Sweden	4,969	[2]	11,221	11,856	8,511
Italy	12,962	9,673	1,063	8,968	8,029
Belgium	12,541	6,689	16,136	26,194	6,870
New Zealand	5,895	7,553	7,308	11,385	2,350
Netherlands	22,135	[2]	4,018	4,560	1,026
All other countries	94,913	33,641	98,503	65,377	16,439
	Value in 1,000 pesos				
Total, all countries	9,951	11,842	15,682	17,831	6,475
	Value in 1,000 U. S. dollars				
Total, all countries	4,794	3,328	4,353	4,948	1,432
Australia	683	726	1,228	1,761	339
United Kingdom	292	673	[1] 584	628	236
France	359	[2]	47	218	147
Germany	833	356	413	439	129
Sweden	85	[2]	163	173	121
Italy	222	217	16	131	104
Belgium	215	155	246	388	94
New Zealand	101	167	118	165	29
Netherlands	379	[2]	60	67	15
All other countries	1,625	1,034	1,478	978	218
Unit value per long ton of total exports [3]	$17.13	$24.40	$15.02	$14.68	$13.24

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[1] Includes Ireland.

[2] Not shown separately.

[3] See footnote 6, table 5.

Source: Compiled by the U. S. Tariff Commission from official trade statistics of Mexico. Converted to United States measures and currency by applying the following factors: 1 metric ton = 0.984196 long tons; 1 peso = 1929, $0.4818; 1933, $0.2810; 1936, $0.2776; 1937, $0.2775; 1938, $0.2212.

Table 15. - Petroleum and principal products: Exports from PERU to principal markets, in specified years, 1929 to 1938

Exported to -	1929	1932	1936	1937	1938
	Quantity in 1,000 barrels of 42 gallons				
Total, all countries --	11,812	8,740	15,850	15,820	13,135
Argentina	3,311	932	345	2,541	3,333
France	-	490	4,196	3,059	2,306
Canada	3,310	2,255	4,171	3,397	1,727
Germany	580	231	797	1,350	989
Netherlands W. Indies	-	-	1,222	977	981
Uruguay	-	-	216	180	882
Chile	1,210	352	395	572	518
Brazil	819	349	721	300	503
United Kingdom	1/	2,205	2,610	2,315	770
Belgium	-	-	357	326	451
El Salvador	49	55	47	138	97
Bolivia	51	68	89	113	97
All other countries -	2/ 2,482	1,804	684	552	481
	Value in 1,000 soles				
Total, all countries --	129,046	77,185	118,765	120,726	115,890
	Value in 1,000 U. S. dollars				
Total, all countries --	51,618	16,440	29,572	30,423	25,983
Argentina	9,889	1,643	586	4,659	5,963
France	-	1,273	7,099	5,504	4,131
Canada	8,569	2,772	7,651	6,658	3,724
Germany	5,812	409	1,352	2,853	2,349
Netherlands W. Indies	-	-	2,932	1,948	1,812
Uruguay	-	-	520	389	1,592
Chile	6,257	897	1,023	1,362	1,420
Brazil	8,130	963	1,809	680	1,413
United Kingdom	1/	4,378	4,393	4,199	1,413
Belgium	-	-	607	591	797
El Salvador	467	149	157	362	276
Bolivia	394	126	254	295	263
All other countries -	2/12,100	3,830	1,189	923	831

1/ Not over 500.

2/ Includes 1,301,501 bbls. valued at $3,436,316 of crude petroleum exported to United States; 584,548 bbls. valued at $5,859,223 of gasoline exported to Netherlands.

Source: Compiled by the U. S. Tariff Commission from official trade statistics of Peru. Converted to United States currency by applying the following factors: 1 sol = 1929, $0.4000; 1932, $0.2130; 1936, $0.2490; 1937, $0.2520; 1938, $0.2242.

Table 16. - Petroleum, crude: Exports from PERU to principal markets, in specified years, 1929 to 1938

Exported to -	1929	1932	1936	1937	1938
	Quantity in 1,000 barrels of 42 gallons				
Total, all countries	7,727	4,663	11,402	11,613	9,177
Argentina	3,156	847	345	2,537	3,329
France	-	199	4,196	3,059	2,304
Canada	3,074	1,866	3,710	2,877	1,328
United Kingdom	1/	1,422	2,542	2,315	748
Belgium	-	-	357	326	451
UNITED STATES	1,301	119	-	-	-
All other countries	196	210	252	499	1,017
Percentage to the United States	16.8	2.5	-	-	-
	Value in 1,000 soles				
Total, all countries	51,006	33,525	77,706	83,371	73,499
	Value in 1,000 U. S. dollars				
Total, all countries	20,402	7,141	19,349	21,010	16,479
Argentina	8,333	1,342	587	4,655	5,959
France	-	324	7,099	5,504	4,123
Canada	8,116	2,635	6,318	5,204	2,437
United Kingdom	1/	2,413	4,319	4,199	1,334
Belgium	-	-	607	591	797
UNITED STATES	3,436	126	-	-	-
All other countries	517	301	419	857	1,829
Percentage to the United States	16.8	1.8	-	-	-
Unit value per barrel of total exports 2/	$2.64	$1.53	$1.70	$1.81	$1.80

1/ Not over 500.
2/ See footnote 6, table 5.

Source: Compiled by the U. S. Tariff Commission from official trade statistics of Peru. Converted to United States measures and currency by applying the following factors: 1 metric ton = 7.575 barrels; 1 sol = 1929, $0.4000; 1932, $0.2130; 1936, $0.2490; 1937, $0.2520; 1938, $0.2242.

Table 17. - Gasoline: Exports from PERU to principal markets, in specified years, 1929 to 1938

Exported to -	1929	1932	1936	1937	1938
	Quantity in 1,000 barrels of 42 gallons				
Total, all countries	2,697	3,052	2,606	2,669	2,354
Germany	580	225	266	942	655
Canada	-	1/	461	520	398
Chile	396	278	329	455	434
Brazil	768	297	587	147	379
Netherlands W. Indies	-	-	646	296	265
El Salvador	34	40	35	116	74
Bolivia	29	24	45	60	49
Netherlands	584	841	-	-	-
All other countries	306	2/1,347	237	133	100
	Value in 1,000 soles				
Total, all countries	67,590	40,633	28,021	27,501	32,060
	Value in 1,00 U. S. dollars				
Total, all countries	27,036	8,655	6,997	6,930	7,188
Germany	5,812	407	715	2,407	1,993
Canada	-	1/	1,333	1,454	1,287
Chile	3,965	820	854	1,142	1,286
Brazil	7,704	898	1,529	381	1,223
Netherlands W. Indies	-	-	1,729	765	726
El Salvador	338	104	90	290	218
Bolivia	290	74	116	151	148
Netherlands	5,859	2,666	-	-	-
All other countries	3,068	2/3,686	631	340	307
Unit value per barrel of total exports 3/	$10.02	$2.84	$2.68	$2.60	$3.05

1/ Not over 500.

2/ Includes 287,085 bbls. valued at $947,961 exported to France; 756,541 bbls. valued at $1,955,615 exported to the United Kingdom.

3/ See footnote 6, table 5.

Source: Compiled by the U. S. Tariff Commission from official trade statistics of Peru. Converted to United States measures and currency by applying the following factors: 1 metric ton = 8.50 bbls.; 1 sol = 1929, $0.4000; 1932, $0.2130; 1936, $0.2490; 1937, $0.2520; 1938, $0.2242.

Table 18. - Kerosene: Exports from PERU to principal markets, in specified years, 1929 to 1938

Exported to -	1929	1932	1936	1937	1938
	Quantity in 1,000 barrels of 42 gallons				
Total, all countries	188	111	883	716	813
Netherlands West Indies	-	-	576	310	573
Brazil	50	46	134	154	125
Germany	-	-	-	67	37
Chile	72	23	35	37	33
Nicaragua	20	14	13	16	10
El Salvador	15	11	12	13	9
Bolivia	6	5	10	14	9
All other countries	25	12	103	105	17
	Value in 1,000 soles				
Total, all countries	3,973	1,205	8,192	6,281	6,476
	Value in 1,000 U.S. dollars				
Total, all countries	1,589	257	2,040	1,583	1,452
Netherlands West Indies	-	-	1,203	605	936
Brazil	426	63	280	300	190
Germany	-	-	-	131	62
Chile	609	32	73	73	56
Nicaragua	168	54	78	80	46
El Salvador	129	43	66	63	43
Bolivia	51	20	59	65	39
All other countries	206	45	281	266	80
Unit value per barrel of total exports 1/	$8.46	$2.32	$2.31	$2.21	$1.79

1/ See footnote 6, table 5.

Source: Compiled by the U.S. Tariff Commission from official trade statistics of Peru. Converted to United States measures and currency by applying the following factors: 1 metric ton = 7.75 barrels; 1 sol = 1929, $0.4000; 1932, $0.2130; 1936, $0.2490; 1937, $0.2520; 1938, $0.2242.

Table 19. - Gas and fuel oils: Exports from PERU to principal markets, in specified years, 1929 to 1938

Exported to -	1929	1932	1936	1937	1938
	Quantity in 1,000 barrels of 42 gallons				
Total, all countries	1,186	909	953	817	787
Germany	-	6	531	340	296
Netherlands West Indies	-	-	-	65	142
Bolivia	-	36	33	39	39
Chile	731	47	27	75	49
Canada	235	389	-	-	-
All other countries 1/	220	431	362	298	261
	Value in 1,000 soles				
Total, all countries	5,698	1,615	4,515	3,263	3,690
	Value in 1,000 U.S. dollars				
Total, all countries	2,279	344	1,124	822	827
Germany	-	2	638	314	295
Netherlands West Indies	-	-	-	56	149
Bolivia	-	20	68	72	69
Chile	1,404	17	29	79	53
Canada	453	137	-	-	-
All other countries 1/	422	168	389	301	261
Unit value per barrel of total exports 2/	$1.92	$0.38	$1.18	$1.01	$1.05

1/ Includes exports for ship supplies as follows -

Year	Barrels	Value
1929	219,312	$421,508
1932	271,212	112,144
1936	284,975	305,110
1937	276,293	278,684
1938	231,814	232,191

2/ See footnote 6, table 5.

Source: Compiled by the U.S. Tariff Commission from official trade statistics of Peru. Converted to United States measures and currency by applying the following factors: 1 metric ton = 7.25 barrels (gas oil) and 6.66 barrels (fuel oil). 1 sol = 1929, $0.4000; 1932, $0.2130; 1936, $0.2490; 1937, $0.2520; 1938, $0.2242.

Table 20. - Petroleum and principal products: Exports from VENEZUELA to principal markets, in specified years, 1929 to 1938

Exported to -	1929	1932	1936	1937	1938
	Quantity in 1,000 barrels of 42 gallons				
Total, all countries	129,765	113,900	157,025	174,850	185,126
Netherlands West Indies	93,890	90,164	122,391	141,896	150,155
UNITED STATES	34,765	21,195	26,139	22,398	22,841
United Kingdom	907	958	2,236	2,666	4,182
France	1/	197	1,408	1,447	2,303
Canada	105	649	1,651	3,786	1,791
Chile	-	80	910	766	607
All other countries 2/	98	657	2,290	1,891	3/ 3,247
Percentage to the United States	26.8	18.6	16.6	12.8	12.3
	Value in 1,000 bolivares				
Total, all countries	592,553	531,628	684,139	769,876	828,154
	Value in 1,000 U.S. dollars				
Total, all countries	114,363	80,223	174,524	217,413	259,626
Netherlands West Indies	82,638	64,238	137,854	177,119	211,080
UNITED STATES	29,948	13,635	28,458	28,041	31,916
United Kingdom	780	644	2,346	3,267	5,845
France	1/	133	1,450	1,673	2,981
Canada	90	367	1,504	4,179	2,502
Chile	-	29	569	950	856
All other countries 2/	907	1,177	2,343	2,184	3/ 4,446
Percentage to the United States	26.2	17.0	16.3	12.9	12.3

1/ Not over 500.

2/ In several instances may include countries shown as principal markets for exports of detailed items (see other tables).

3/ Includes 1,673,615 barrels of crude petroleum valued at $2,337,102 exported to Germany.

Source: Compiled by the U.S. Tariff Commission from official trade statistics of Venezuela. Converted to United States measures and currency by applying the following factors: 1 bolivar = 1929, $0.1930; 1932, $0.1509; 1936, $0.2551; 1937, $0.2824; 1938, $0.3135. (For conversion factors for net tons to barrels see separate tables for individual items).

Table 21. - Petroleum crude: Exports from VENEZUELA to principal markets, in specified years, 1929 to 1938

Exported to -	1929	1932	1936	1937	1938
	Quantity in 1,000 barrels of 42 gallons				
Total, all countries	129,445	109,053	150,483	169,133	179,222
Netherlands W. Indies	93,670	85,608	117,356	137,312	145,161
UNITED STATES	34,744	21,075	26,139	22,398	22,841
United Kingdom	907	958	1,639	2,240	3,835
France	-	198	1,408	1,447	2,303
Canada	104	649	1,651	3,786	1,792
Germany	1/	118	409	448	1,674
All other countries	20	447	1,881	1,502	1,616
Percentage to the United States	26.8	19.3	17.4	13.2	12.7
	Value in 1,000 bolivares				
Total, all countries	577,709	481,123	645,422	736,428	797,443
	Value in 1,000 U. S. dollars				
Total, all countries	111,498	72,601	164,647	207,967	249,999
Netherlands W. Indies	80,808	57,489	129,031	169,095	202,739
UNITED STATES	29,803	13,588	28,458	28,040	31,916
United Kingdom	780	644	1,863	2,725	5,356
France	-	133	1,450	1,673	2,981
Canada	90	367	1,504	4,179	2,502
Germany	1/	80	464	564	2,337
All other countries	17	300	1,877	1,691	2,168
Percentage to the United States	26.7	18.7	17.3	13.5	12.8
Unit value per barrel of total exports 2/	$0.861	$0.666	$1.09	$1.23	$1.40

1/ Not over 500.
2/ See footnote 6, table 5.

Source: Compiled by the U. S. Tariff Commission from official trade statistics of Venezuela. Converted to United States measures and currency by applying the following factors: 6.735 barrels = 1 metric ton. 1 bolivar = 1929, $0.1930; 1932, $0.1509; 1936, $0.2551; 1937, $0.2824; 1938, $0.3135.

Table 22. - Fuel and gas oil: Exports from VENEZUELA to principal markets, in specified years, 1929 to 1938

Exported to -	1929	1932	1936	1937	1938
	Quantity in 1,000 barrels of 42 gallons				
Total, all countries	164	4,491	6,331	5,649	5,902
Netherlands W. Indies	142	4,289	4,824	4,515	4,991
Chile	-	80	911	707	565
United Kingdom	-	3	596	426	346
All other countries	22	122	1/	1	1/
	Value in 1,000 bolivares				
Total, all countries	5,650	29,129	31,720	31,418	30,649
	Value in 1,000 U. S. dollars				
Total, all countries	1,091	4,396	8,092	8,872	9,608
Netherlands W. Indies	942	4,305	7,038	7,451	8,322
Chile	-	29	570	875	797
United Kingdom	-	1/	483	542	489
All other countries	149	62	1	4	1/
Unit value per barrel of total exports 2/	$6.66	$0.979	$1.28	$1.57	$1.63

1/ Not over 500.
2/ See footnote 6, table 5.

Source: Compiled by the U. S. Tariff Commission from official trade statistics of Venezuela. Converted to United States measures and currency by applying the following factors: Fuel oil - 6.66 barrles = 1 metric ton; gas oil - 7.25 barrels = 1 metric ton; 1 bolivar = 1929, $0.1930; 1932, $0.1509; 1936, $0.2551; 1937, $0.2824; 1938, $0.3135.

Table 23. - Gasoline: Exports from VENEZUELA to principal markets, in specified years, 1929 to 1938

Exported to -	1929	1932	1936	1937	1938
	Quantity in 1,000 barrels of 42 gallons				
Total, all countries	155	356	211	69	3
Netherlands W. Indies	78	267	210	69	3
All other countries	77	89	1	1/	1/
	Value in 1,000 bolivares				
Total, all countries	9,143	21,358	6,997	2,030	61
	Value in 1,000 U. S. dollars				
Total, all countries	1,765	3,223	1,785	573	19
Netherlands W. Indies	886	2,442	1,784	573	18
All other countries	879	781	1	1/	1
Unit value per barrel of total exports 2/	$11.39	$9.06	$8.44	$8.32	$7.49

1/ Not over 500.
2/ See footnote 6, table 5.

Source: Compiled by the U. S. Tariff Commission from official trade statistics of Venezuela. Converted to United States measures and currency by applying the following factors: 8.50 barrels = 1 metric ton; 1 bolivar = 1929, $0.1930; 1932, $0.1509; 1936, $0.2551; 1937, $0.2824; 1938, $0.3135.

QUEBRACHO

Quebracho Wood and Extract

Quebracho extract, obtained from the heartwood of the quebracho tree, is one of the most important and widely used of the numerous vegetable tanning materials. The extract differs from all other known tanning extracts in that it will not ferment. The wood of the quebracho tree, which is extremely hard, is in demand in South America for building purposes and for railroad ties, but is most important as a source of tannin. It contains a higher percentage of tannin to a given density than any other of the well-known extracts and is one of the quickest vegetable tans known. The tannin content of the heartwood averages 20 to 26 percent; 3 to 4 tons of wood are required to produce 1 ton of solid extract.

Quebracho extract finds extensive application in the tanning of all types of vegetable tanned leather. About 90 percent of the consumption is in the tanning of heavy leathers, such as sole leather, belting, and harness, but it is also adapted to the tanning of light leathers, and bag, case, patent, and upholstery leathers. Practically every established heavy leather tannage in the United States includes a substantial proportion of quebracho.

Latin American production.

Quebracho trees are native to northern Argentina and Paraguay, which together account for practically the entire world production. The actual quantity of wood produced is not known but is estimated to be in excess of 1 million tons annually. Approximately 80 percent of the supply of wood is believed to be located in Argentina. Extract preparation is an important industry in both Argentina and Paraguay. Some wood, perhaps 10 percent of the total annual cut, has been shipped abroad, principally to Italy, the United States, Germany, and France, for conversion into extract there (see table 1), but most of the cut is utilized in local extract factories.

Latin American exports.

Exports of quebracho extract from Argentina and Paraguay, in specified years, 1929 to 1938, are shown in tables 2 and 3. The principal markets for quebracho extract have been the United States, Germany, the United Kingdom, Japan, and Poland.

Exports of extract from Latin America have been controlled and restricted in recent years through the operation of agreements between producers in both Argentina and Paraguay. Under these agreements, the extract factories limit their output pro rata according to capacity; they also fix prices, and sell through predetermined agencies to assigned markets. This arrangement, made with the tacit approval of the Argentine Government, followed a period of unlimited production and unrestricted competition which proved detrimental to the industry. A relatively small proportion of the quebracho extract produced in Argentina and Paraguay is consumed there.

Exports from Argentina in 1938 amounted to 370.2 million pounds; of this total, 61.6 million went to the United States, 57 million to Germany, 46.4 million to Japan, 35.6 million to Poland, 23 million to the United Kingdom, 16.4 million to France, and 12.7 million to Belgium. Exports to the United States in 1938 were substantially smaller than in 1937; exports to Germany were more than double those in 1936, but were smaller than in 1937. Japanese purchases doubled in 1938 as compared with 1936. Exports to the United Kingdom, France, and Belgium declined after 1936.

Nearly three-fourths of Paraguayan exports of extract in 1937 were exported to Argentina or were recorded as "in transit" to Argentina; consequently, Argentine export statistics are indicative of the bulk of production of the two countries. The remainder of Paraguayan exports in 1937 went largely to the United States.

Exports of quebracho logs from Argentina in 1938, amounting to 192.3 million pounds, went chiefly to Italy (62.3 million), the United States (50.1 million), Germany (32.2 million), and France (30.5 million), (see table 1). Exports to Italy, the United States, and Germany have increased in recent years, while those to France have decreased. Exports of logs from Paraguay are small. Brazil has occasionally exported quebracho logs. In 1929 such exports amounted to 5.3 million pounds and in 1936, to 1.7 million pounds; in other recent years they were negligible.

Table 1. - Quebracho logs: Exports from ARGENTINA to principal markets, in specified years, 1929 to 1938

Exported to -	1929	1932	1936	1937	1938
	Quantity in 1,000 pounds				
Total, all countries	360,024	113,160	132,977	193,943	192,332
Italy	30,190	22,959	48,226	69,866	62,328
UNITED STATES	142,664	15,628	14,639	43,717	50,102
Germany	34,447	3,510	5,787	13,525	32,196
France	114,028	44,480	37,346	52,997	30,467
All other countries	38,695	26,583	26,979	13,838	17,239
Percentage to the United States	39.6	13.8	11.0	22.5	26.0
	Value in 1,000 paper pesos				
Total, all countries	8,895	2,048	2,834	3,930	4,170
	Value in 1,000 U. S. dollars 1/				
Total, all countries	3,723	527	827	1,213	1,240
Italy	314	108	286	436	403
UNITED STATES	1,481	72	95	278	318
Germany	358	16	33	84	216
France	1,171	208	241	330	188
All other countries	399	123	172	85	115
Percentage to the United States	39.8	13.7	11.5	22.9	25.7
Unit value per pound of total exports 2/	$0.010	$0.005	$0.006	$0.006	$0.006

1/ For 1929-32, the U. S. dollar value has been converted from the gold peso value. One gold peso is equal to 2.272727 paper pesos. The conversion rates for the gold peso are as follows: 1929, $0.9513; 1932, $0.5844.

2/ The unit values appearing in this and other tables should be interpreted with caution, especially when comparing the unit values of the exports of one country with those of another. Exports from the different Latin American countries, though of the same commodity, frequently are of different types or grades. Moreover, different methods of valuation are employed by the various countries and some countries have changed their method of valuation during the period 1929-38.

Source: Compiled by the U. S. Tariff Commission from official trade statistics of Argentina. Converted to United States weights and currency by applying following factors: 1 metric ton = 2,204.6 pounds; 1 paper peso = 1929, $0.4186; 1932, $0.2571; 1936, $0.2918; 1937, $0.3086; 1938, $0.2973.

Table 2. - Quebracho extract: Exports from ARGENTINA to principal markets, in specified years, 1929 to 1938

Exported to -	1929	1932	1936	1937	1938
	Quantity in 1,000 pounds				
Total, all countries	332,207	414,595	388,958	437,569	370,241
UNITED STATES	54,645	87,622	71,841	92,326	61,621
Germany	101,176	110,162	26,363	67,816	57,009
Japan	7,553	10,862	21,563	23,779	46,427
Poland	-	3,294	35,999	28,726	35,604
United Kingdom	18,823	37,361	37,145	30,717	22,974
France	21,330	27,853	33,219	26,032	16,429
Belgium	21,409	21,327	23,065	21,197	12,672
All other countries	107,271	116,114	139,763	146,976	117,505
Percentage to the United States	16.4	21.1	18.5	21.1	16.6
	Value in 1,000 paper pesos				
Total, all countries	31,507	25,144	34,067	40,168	34,495
	Value in 1,000 U. S. dollars[1]				
Total, all countries	13,188	6,466	9,941	12,396	10,255
UNITED STATES	2,169	1,396	1,837	2,607	1,707
Germany	4,017	1,716	674	1,928	1,579
Japan	300	168	551	676	1,286
Poland	-	49	916	819	986
United Kingdom	747	578	952	863	636
France	847	425	848	736	455
Belgium	850	330	590	600	351
All other countries	4,258	1,804	3,573	4,167	3,255
Percentage to the United States	16.4	21.6	18.5	21.0	16.6
Unit value per pound of total exports[2]	$0.040	$0.016	$0.026	$0.028	$0.028

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[1] For 1929-32, the U. S. dollar value has been converted from the gold peso value. One gold peso is equal to 2.272727 paper pesos. The conversion rates for the gold peso are as follows: 1929, $0.9513; 1932, $0.5844.

[2] See footnote 2, table 1.

Source: Compiled by the U. S. Tariff Commission from official trade statistics of Argentina. Converted to United States weights and currency by applying the following factors: 1 metric ton = 2,204.6 pounds; 1 paper peso = 1929, $0.4186; 1932, $0.2571; 1936, $0.2918; 1937, $0.3086; 1938, $0.2973.

Table 3. - Quebracho extract: Exports from PARAGUAY to principal markets, in specified years, 1929 to 1938

Exported to -	1929	1932	1936	1937	1938
	Quantity in 1,000 pounds				
Total, all countries	92,375	109,357	80,131	84,707	81,211
UNITED STATES	-	-	-	19,835	27,342
Argentina	-	21,113	2,425	14,881	22,118
In transit (Argentina)	-	88,244	77,706	46,647	31,310
All other countries	-	-	-	3,344	441
Percentage to the United States	-	-	-	23.4	33.7
	Value in 1,000 pesos				
Total, all countries	2,765	3,325	2,181	2,305	2,210
	Value in 1,000 U. S. dollars				
Total, all countries	2,631	1,943	1,450	1,622	1,518
UNITED STATES	-	-	-	380	511
Argentina	-	395	44	285	413
In transit (Argentina)	-	1,548	1,406	893	585
All other countries	-	-	-	64	9
Percentage to the United States	-	-	-	23.4	33.7
Unit value per pound of total exports[1]	$0.028	$0.018	$0.018	$0.019	$0.019

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[1] See footnote 2, table 1.

Source: Compiled by the U. S. Tariff Commission from official trade statistics of Paraguay. Converted to United States weights and currency by applying the following factors: 1 metric ton = 2,204.6 pounds; 1 peso = 1929, $0.9513; 1932, $0.5844; 1936, $0.6649; 1937, $0.7036; 1938, $0.6866.

Trade barriers, competitive conditions, and prices.

Most European countries and Japan permit the entry of quebracho wood free of duty. Japan also permits the free entry of the extract and Germany accords free entry to that extract originating in countries which are accorded "conventional" rather than "general" tariff treatment. Most other European markets, including the United Kingdom and France, impose nominal duties on quebracho extract. Recently Japan and belligerent European countries have made imports of practically all commodities, including both quebracho wood and extract, subject to import controls or licenses. Quebracho wood is admitted to the United States free of duty;[1] the extract is dutiable at 15 percent ad valorem.[2]

Under present operating conditions in the United States, quebracho extract appears to be essential in the tanning process. Both quebracho and chestnut are employed in tanning, but they are in general complementary rather than strictly competitive. The proportions of quebracho and chestnut used in tanning, however, may vary widely, depending upon availability and relative prices. Chestnut extract is the most important vegetable tanning material produced in the United States, but the chestnut blight in this country has virtually eliminated the possibility of long-continued domestic supplies from that source. Tanning materials may be obtained from the blighted chestnut trees on a salvage basis, but at the present rate of consumption, domestic chestnut extract will probably not be available for longer than 15 or 20 years. It is possible, therefore, that dwindling supplies of chestnut may result in an even greater use of quebracho in the United States tanning industry. Hemlock and oak, formerly the most important domestic tanning materials, are now relatively unimportant.

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[1] Tariff Act of 1930, par. 1670.
[2] Tariff Act of 1930, par. 38.

The average price quotations of quebracho extract at New York, following general price trends, declined from 5 cents per pound in 1929 to 2.4 cents in 1932 (see table 4). Thereafter prices increased, reaching 4 cents per pound in the years 1937-39. Following the declaration of war in Europe (September 1939), the price of quebracho experienced a further increase and during the first 4 months of 1940 stood at 4.5 cents per pound. The average unit values of exports from Argentina followed a trend closely parallel to that of prices in New York (see table 2). In 1929 the average unit value was 4 cents per pound; in 1932, 1.6 cents per pound; and in 1937-38, 2.8 cents per pound. These unit values are considerably below prices at New York, but such values do not include freight, insurance, and commission charges and the United States duty of 15 percent ad valorem.

Table 4. - Quebracho extract (solid, 63%): Average wholesale price quotations per pound, New York (ex dock, duty paid), 1929-40

Year	Cents per pound	Month	Cents per pound
1929	5.0	1939:	
1930	4.5	September	4.0
1931	2.8	October	4.4
1932	2.4	November	4.4
1933	2.8	December	4.5
1934	3.0		
1935	3.6	1940:	
1936	3.7	January	4.5
1937	4.0	February	4.5
1938	4.0	March	4.5
1939	4.1	April	4.5

Source: Wholesale Prices, Bureau of Labor Statistics, except 1940 which are from Oil, Paint and Drug Reporter (first quotation of month).

Effects of the European War.

Europe, as well as the remainder of the world, is entirely dependent on the Western Hemisphere for its supply of quebracho. The use of quebracho is so well established that a sudden cessation of supply would undoubtedly be serious for tanners. Other materials, however, could take the place of quebracho. Europe has a variety of chestnut with good tanning qualities and is the home of valonia. Wattle bark from South Africa is another possible substitute. The Soviet Union is understood to have immense forests of a tree similar to the United States hemlock. Synthetic materials, which are already used to a considerable extent in Germany, are also eventual substitutes for quebracho as well as other vegetable tans.

Over one-third of Argentine exports of quebracho extract, and about two-thirds of exports of logs have heretofore gone to belligerent nations. Small quantities of the extract have gone to European neutrals. Sales of quebracho to continental European markets will probably be reduced for the duration of the European War. Continuance of exports to the United Kingdom will depend on its ability to maintain and finance commercial relations with Latin America. Inasmuch as quebracho extract is essential to the tanning process, it may be expected that it will be given some priority by those belligerent nations which are able to obtain it. The United Kingdom may increase its consumption of quebracho; should this occur, it will offset, at least in part, probable losses in other European markets.

RUBBER

Crude Rubber

Crude rubber is obtained principally from latex, a milky fluid found in certain species of trees.[1/] After the latex is gathered, it is coagulated and the solid portion made into ribbed smoked sheets. Some latex is shipped from producing areas, but most of the crude rubber enters commerce in the form of sheets produced on or near the plantation.

There is no production of crude rubber in the United States and domestic producers of rubber goods import all of the crude rubber which they use. On a value basis, crude rubber has been one of the most important single commodities imported into the United States. The domestic rubber goods manufacturing industry employed 120 thousand persons in 1937 and had a total output valued at 883 million dollars. In that year the domestic consumption of crude rubber amounted to 531 thousand long tons of which 79.8 percent was used in making automobile tires and inner tubes, 4.2 percent in making rubber boots and shoes, and 16.0 percent in making rubber hose, belts, druggists' sundries, and other miscellaneous products. Rubber is indispensable in the manufacture of numerous products essential to our present civilization, including motor vehicles and other equipment used in time of war. Synthetic rubber is now being produced in most industrial countries, but it is expensive and not completely satisfactory for some uses, although superior for others.

[1/] More than 90 percent of the current supply of crude rubber is obtained from the tree known as the *Hevea brasiliensis*.

Position of Latin America in world production and exports.

British Malaya and the Netherlands Indies are the two principal rubber producing regions of the world. In these areas rubber is produced on large plantations from cultivated trees. Latin America accounts for about 2 percent of the world's production of rubber which is obtained from wild trees and (in Mexico) from a desert shrub known as Guayule. Practically all of the rubber produced in these various regions is exported, consequently over a period of years exports can be assumed to represent a close approximation to production, though from year to year stocks in the producing countries may vary considerably.

Total world exports of crude rubber in 1938 amounted to 895 thousand long tons, of which Malaysia (principally British Malaya and the Netherlands Indies) accounted for 865 thousand long tons, and Latin America for 18 thousand or about 2 percent (see table 1). Of total shipments from Latin America, 15 thousand long tons came from South America (principally Brazil), and 3 thousand from Mexico. Practically all of the crude rubber produced in Latin America is exported to North America and to Europe. In South America, crude rubber is produced almost entirely in the basin drained by the Amazon River and its tributaries. This basin lies principally in Brazil, but partly in Bolivia, Peru, Ecuador, and Colombia, where some rubber is also gathered from wild trees.

Table 1. - Crude rubber: Exports from producing countries, and regions, in specified years, 1929 to 1938

(In thousands of long tons)

Exported from -	1929	1932	1936	1937	1938
Latin America 1/	22.6	6.5	15.9	19.7	18.1
British colonies:					
Malaya, including Brunei and Labuan	457.0	406.0	353.7	469.9	372.0
Ceylon	80.3	49.3	49.7	70.4	49.5
British India	7.9	1.1	8.6	9.8	8.5
Burma	5.5	3.0	5.8	7.2	6.7
North Borneo	7.4	5.4	8.2	13.2	9.5
Sarawak	11.2	7.1	21.0	25.9	17.8
Total British colonies	569.3	471.9	447.0	596.4	464.0
Netherlands Indies	225.0	211.0	309.6	431.7	298.1
French Indo-China	9.5	13.5	40.8	43.4	59.2
Thailand (Siam)	4.3	3.0	34.6	35.6	41.6
Philippines and Oceania	.9	.8	1.6	1.6	2.0
Liberia	.2	-	1.6	2.3	2.9
Other Africa	6.1	2.0	6.8	9.1	9.0
Total world exports	867.9	708.7	857.9	1,139.8	894.9
	Percent of total above countries				
Latin America	2.6	0.9	1.9	1.7	2.0

1/ About three-fourths of the crude rubber produced in Latin America is exported from Brazil. Mexico produces guayule rubber.

Source: Statistical Bulletin of the International Rubber Regulation Committee, May 1940.

The year of greatest production of crude rubber in South America was 1912, when the output amounted to 49 thousand long tons. Following the establishment of rubber plantations in Malaysia, South American production declined rapidly; in 1932 exports amounted to only 6.5 thousand long tons, and in 1938 to 15 thousand long tons. Practically all the rubber produced in South America has been obtained from wild trees, and it is unlikely, even with high prices, that such production will ever equal the output of 1912. The production of rubber on plantations in South America has been negligible, largely because of the South American leaf disease and the higher cost of labor as compared with that in Malaysia. High yielding strains of rubber trees have been developed recently which appear to be resistant to this disease; such strains could be utilized advantageously on existing farms and plantations in Latin America. It is unlikely, however, that the production of plantation rubber will reach significant proportions within the next decade. About 6 years are required before rubber trees come into bearing.

Exports of crude rubber are important to Brazil, although they constitute only a small part of the world output. In general, about three-fourths of the crude rubber exported from Latin America is shipped from Brazil. These exports include appreciable quantities of rubber produced in neighboring countries but sent to market via the Amazon River and its tributaries. Exports of crude rubber from Brazil to principal markets, in specified years, 1929 to 1937,[1] are shown in table 2. The destination of Brazilian exports has shifted considerably. The United States was the principal country of destination in 1929 and 1932, and Germany in 1936 and 1937. The United Kingdom has been the third principal market. Other purchasers have been France, Belgium, the Netherlands, and Italy, but the quantities taken by these countries have not been large.

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[1] Statistics for 1938 are not available.

Table 2. - Rubber, crude (except balata, gutta percha, chicle, and coquiram):1/ Exports from BRAZIL to principal markets, in specified years, 1929 to 1937 2/

Exported to -	1929	1932	1936 3/	1937
	Quantity in long tons			
Total, all countries	17,698	4,998	11,216	13,050
Germany	4,764	1,305	6,099	6,160
UNITED STATES	7,676	1,512	3,143	4,039
United Kingdom	3,112	1,519	1,237	1,509
Italy	36	53	283	219
France	1,599	443	54	115
Belgium	283	86	10	66
All other countries	228	80	132	942
Percentage to the United States	43.4	30.3	28.7	31.0
	Value in 1,000 milreis			
Total, all countries	48,685	7,148	59,401	65,259
	Value in 1,000 U. S. dollars			
Total, all countries	5,750	509	3,883	4,455
Germany	1,495	124	2,157	2,277
UNITED STATES	2,533	168	1,052	1,411
United Kingdom	1,119	153	438	569
Italy	14	5	101	81
France	426	43	19	43
Belgium	83	9	4	20
All other countries	80	7	53	54
Percentage to the United States	44.1	32.9	27.1	31.7
Unit value per ton of total exports	$324.88	$101.82	$346.20	$341.35

1/ Includes the following kinds of rubber: Hevea, manissoba, mangabeira, and sorb.

2/ Statistics for 1938 are not available.

3/ Country detail is for hevea rubber only; 1936 statistics show only important items by countries. Hevea rubber total amounted to 11,133,579 kilos (10,958 long tons) valued at 58,504,944 milreis ($3,824,468).

Source: Compiled by the U. S. Tariff Commission from official trade statistics of Brazil. Converted to United States weights and currency by applying the following factors: Long ton = 1016.057 kilos. 1 milreis = 1929, $0.1181; 1932, $0.0712; 1936, $0.06537; 1937, $0.06826.

There is a small production of crude rubber in Mexico, all of which is obtained from wild guayule, a desert shrub. At the time of harvest the entire plant is cut and the rubber removed by a mechanical process. United States interests have several thousand acres of wild guayule plants near Torreon, Mexico, and these holdings account for the entire production in that country. In 1912, the year of greatest output, Mexico produced 10 thousand long tons of guayule rubber. Mexican production declined after that year largely because of the decline in prices caused by the increased production of rubber in Malaysia. In 1938, it amounted to about 3 thousand long tons, practically all of which was shipped to the United States. Guayule rubber has a high resin content which has confined its use in the United States principally to the manufacture of rubberized fabrics and to blending with crude rubber imported from other sources. After de-resining, guayule rubber compares favorably in quality with crude rubber of other types.

Trade barriers, competitive conditions, and prices.

Crude rubber has entered the United States1/ and the United Kingdom free of duty for many years. Germany, Italy, the Soviet Union, and numerous other countries, on the other hand, impose high rates of duty on imports of crude rubber in order to stimulate the production of synthetic rubber or to raise revenue.

1/ Tariff Act of 1930, par. 1697. Crude rubber was bound free of duty in trade agreements with Brazil, Colombia, the Netherlands, and the United Kingdom. The agreement with the United Kingdom became effective on January 1, 1939.

Both the production and distribution of rubber from the Far East have been regulated since 1934 by agreements between British, Dutch, and other producers, and that fact, as well as changes in world industrial activity and in general price levels, has affected recent price movements of rubber. The average price of ribbed smoked sheets (number 1) at New York in 1929 was 20.6 cents per pound. It declined to 3.5 cents per pound in 1932 and then rose to 19.4 cents in 1937. The average price was 14.6 cents per pound in 1938 and 17.6 cents in 1939. With the declaration of war in Europe, the New York price rose from 16.8 cents per pound in August 1939, to 21.1 cents in September. Since that time the price has ranged from 18.6 cents per pound (March 1940) to 20.2 cents (November 1939); in April 1940, it was 19.2 cents per pound (see table 3).

Table 3. - Crude rubber: Average spot closing prices of ribbed smoked sheets No. 1, at New York, 1929-39 and August 1939-April 1940 1/

(Cents per pound)

Year	Price	Month	Price
1929	20.6	1939 -	
1930	12.0	August	16.8
1931	6.2	September	21.1
1932	3.5	October	19.9
1933	6.0	November	20.2
1934	12.9	December	20.0
1935	12.4	1940 -	
1936	16.4	January	19.1
1937	19.4	February	18.8
1938	14.6	March	18.6
1939	17.6	April	19.2

1/ Upriver fine Para, the principal type of crude rubber produced in South America, is generally quoted in New York at prices 1 or 2 cents lower than those for smoked ribbed sheet number 1, but during the period 1930-33 it sold at prices higher than those for smoked ribbed sheet number 1. Para rubber is generally used for specific purposes, such as for cut rubber thread.

Source: The Rubber Age, May 1940

Effects of the European war.

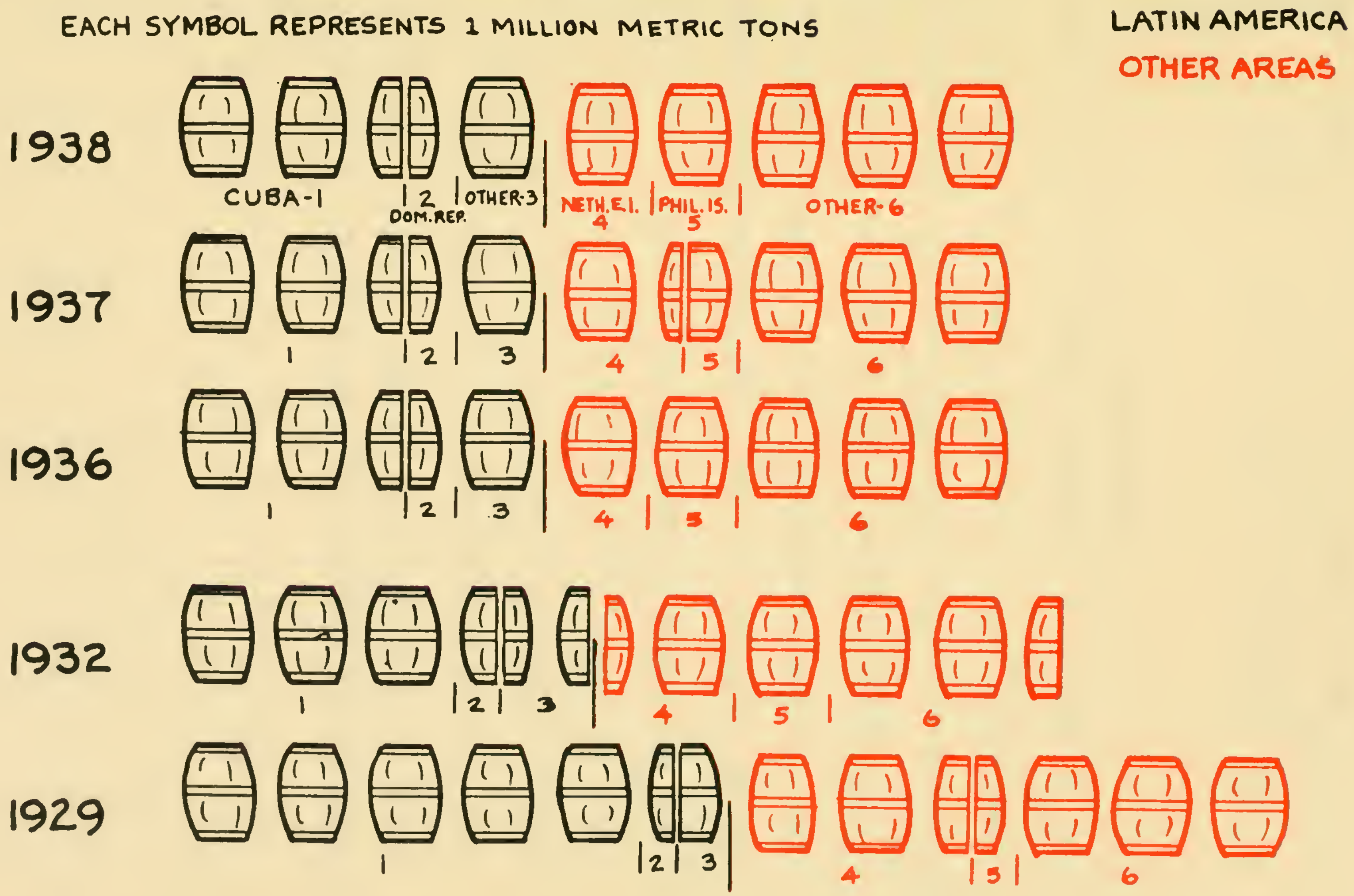
Although the war is likely to dislocate established European markets for Latin American rubber, it will doubtless increase the demand for such rubber in the United States. Latin American production from wild trees and shrubs may be stimulated, but the output will probably not equal the quantity produced in 1912. No significant supplies of plantation rubber can be expected from Latin America in the immediate future, because of the time required to establish plantations and to bring the trees into bearing. Should the United States be unable to obtain its customary supplies from the Far East, it is possible that a substantial part of this country's requirements can be supplied by production of synthetic rubber.

SUGAR AND MOLASSES

SUGAR

WORLD EXPORTS

1929, 1932, 1936-1938



EACH SYMBOL REPRESENTS 1 MILLION METRIC TONS

U.S. TARIFF COMMISSION, 1940.

Sugar

Cane sugar is produced principally in countries having a tropical climate, and beet sugar in those having a temperate climate. Both move in large quantities in international trade. Cane sugar enters international trade chiefly as raw sugar for further refining, but there is also a considerable movement of refined cane sugar for direct consumption. Beet sugar is usually ready for consumption when it leaves the factory.

Position of Latin America in world production.

Latin American countries produce annually over 6 million short tons of sugar, or about 18 percent of the total world production. Cuba alone produces over 3 million tons, about 10 percent of the world total, and more than one-half of the entire Latin American output. Other important Latin American producers are Brazil, Argentina, the Dominican Republic, Peru, and Mexico. With the exception of Chile, which imports about 138 thousand tons of sugar annually, the several Latin American countries are self-sufficient with respect to sugar. Brazil and Argentina, although relatively large producers, consume within their own borders practically all the sugar produced there. Production of sugar in the principal producing countries of Latin America and of the world, in specified years, 1928-29 to 1937-38, is shown in table 1.

Table 1.- Sugar: Production in principal producing countries of Latin America, in the United States, and in other important producing countries, in specified years, 1929 to 1938

Country	1928-29	1931-32	1935-36	1936-37	1937-38
	Quantity in short tons				
Cuba	5,775,073	2,915,208	2,899,002	3,374,524	3,379,844
Brazil	1,076,148	1,137,054	1,135,222	989,778	1,103,049
Dominican Republic	396,575	478,936	503,795	500,209	469,060
Argentina	420,368	388,046	437,853	488,179	415,690
Peru	405,154	443,402	429,184	455,120	378,403
Mexico	200,619	260,131	344,522	311,499	334,329
Haiti	13,997	23,461	41,784	40,328	44,999
Total, listed above	8,287,934	5,646,238	5,791,362	6,159,637	6,125,374
UNITED STATES production:					
Continental	1,183,330	1,328,482	1,561,232	1,744,364	1,741,842
Offshore 1/	1,543,779	2,022,359	1,946,166	1,925,452	2,094,086
Total UNITED STATES	2,727,109	3,350,841	3,507,398	3,669,816	3,835,928
British India	4,643,673	2,462,973	5,848,692	6,479,659	5,463,544
Soviet Union and Ukraine	2,885,120	1,693,440	2,912,000	2,238,816	2,800,000
Germany	2,690,865	1,756,315	2,126,029	2,184,590	2,669,698
Formosa and Japan	2,087,008	1,285,256	1,220,670	1,335,813	1,347,380
Java	1,936,079	2,877,717	652,991	1,559,204	1,542,092
Philippine Islands	1,100,026	1,100,709	982,221	1,117,827	1,058,846
All other countries	4,512,211	8,363,147	8,072,550	8,555,105	8,500,343
World production	30,870,025	28,536,636	31,113,913	33,300,467	33,343,205
	Percent of world production				
Latin American countries listed above	26.8	19.8	18.6	18.5	18.4

1/ Includes Hawaii, Puerto Rico, and the Virgin Islands of the United States.

Source: Weekly Statistical Sugar Trade Journal, Willet and Gray, corrected to Jan. 18, 1940, issue.

Latin American exports.

The annual exports from Latin American countries average over 3.8 million tons, which represents about 30 percent of the world exports of sugar. Cuba is the outstanding Latin American exporter of sugar, furnishing about 75 percent of all Latin American exports and more than 20 percent of total world exports. The two other important exporting countries are the Dominican Republic and Peru. All three of these countries have facilities for refining only a part of their total production, and exports consist of both raw and refined sugar, principally raw sugar. Exports of sugar from the principal producing countries of Latin America and of the world, in specified years, 1929 to 1938, are shown in table 2.

Approximately two-thirds of the exports of Cuban sugar are shipped to the United States. The remainder is sold almost entirely to European countries and to Canada, the United Kingdom being by far the largest European market. Other purchasers are Belgium, France, Switzerland, Canada, and the Scandinavian countries (see table 3). The Dominican Republic sends about 60 percent of its exports to the United Kingdom; other important markets are the United States, France, Morocco, and the Netherlands (table 4). Approximately one-half of Peru's exports of sugar goes to other South American markets - Chile, Bolivia, Ecuador, and Uruguay; the United Kingdom and the United States absorb most of the remainder (table 5). Brazil is a larger producer than either the Dominican Republic or Peru, but its production is principally for domestic consumption. Exports of sugar from Haiti, Brazil, and Argentina to principal markets, in specified years, 1929 to 1938, are shown in tables 6 to 8.

Table 2.- Sugar: Exports from principal producing countries of Latin America and of the world, in specified years, 1929 to 1938

Country	1929	1932	1936	1937	1938
	Quantity in short tons				
Cuba	5,543,942	2,930,852	2,910,302	2,987,571	2,910,695
Dominican Republic	355,574	484,731	479,288	473,641	447,174
Peru	400,553	358,393	359,534	344,541	275,504
Haiti 1/	5,213	22,701	38,363	35,720	37,909
Brazil	16,399	44,598	99,399	343	8,974
Argentina	10,034	1,553	5,436	1,385	2,900
Total exports from above Latin American countries	6,331,715	3,842,828	3,892,322	3,843,201	3,863,156
Netherlands Indies	2,680,790	1,668,507	974,532	1,254,076	1,188,279
All other countries	7,051,533	7,744,374	7,823,044	8,026,597	7,890,113
Total world exports	16,064,038	13,255,709	12,689,898	13,123,874	12,761,548
	Percent of total world exports				
Latin American countries listed above	39.4	29.0	30.7	29.3	30.3

1/ Fiscal year ended September 30.

Source: Compiled by the U. S. Tariff Commission from official trade statistics of the specified countries, and from the International Yearbook of Agricultural Statistics.

Table 3. - Sugar: Exports from CUBA to principal markets, in specified years, 1929 to 1938

Exported to -	1929	1932	1936	1937	1938
	Quantity in short tons				
Total, all countries	5,543,942	2,930,852	2,910,302	2,987,571	2,910,695
UNITED STATES	4,319,495	1,907,913	1,847,004	2,177,046	1,990,786
United Kingdom	870,137	742,058	795,219	579,148	661,284
Belgium	32,987	21,595	9,934	78,329	85,779
France	151,847	104,918	100,261	44,911	60,490
French Morocco	1/	1/	32,583	24,996	31,880
Switzerland	1/	1/	9,278	17,762	15,147
Canada	52,816	22,799	2,905	14,150	1,871
Sweden	38,760	31,913	5,584	13,254	5,077
Norway	1/	1/	15,665	11,758	12,851
All other countries	77,900	99,656	91,869	26,217	45,530
Percentage to the United States	77.9	65.1	63.5	72.9	68.4
	Value in 1,000 U. S. dollars 2/				
Total, all countries	204,849	53,973	112,591	127,285	99,771
UNITED STATES	161,812	38,949	91,798	107,073	80,507
United Kingdom	30,477	10,997	15,454	13,730	13,599
Belgium	1,227	287	185	2,126	1,806
France	4,901	1,595	2,126	1,481	1,292
French Morocco	1/	1/	536	665	748
Switzerland	1/	1/	146	449	324
Canada	2,327	329	55	338	41
Sweden	1,330	436	96	476	99
Norway	1/	1/	282	254	291
All other countries	2,776	1,380	1,913	693	1,064
Percentage to the United States	79.0	72.2	81.5	84.1	80.7
Unit value per short ton of total exports 3/	$36.95	$18.42	$38.69	$42.60	$34.28

1/ Not separately reported.

2/ One Cuban peso = one U. S. dollar (all years).

3/ The unit values appearing in this and other tables should be interpreted with caution, especially when comparing the unit values of the exports of one country with those of another. Exports from the different Latin American countries, though of the same commodity, frequently are of different types or grades. Moreover, different methods of valuation are employed by the various countries and some countries have changed their method of valuation during the period 1929-38.

Source: Compiled by the U. S. Tariff Commission from official trade statistics of Cuba. Converted to United States weights by applying the following factor: 1 short ton = 1972.142 libras.

Table 4. - Sugar: Exports from the DOMINICAN REPUBLIC to principal markets, in specified years, 1929 to 1938

Exported to -	1929	1932	1936	1937	1938
	Quantity in short tons				
Total, all countries	355,574	484,731	479,288	473,641	447,174
United Kingdom 1/	256,682	345,264	307,034	230,344	308,718
UNITED STATES	3,526	3,193	54,740	71,927	60,151
Virgin Islands	1,159	716	2,688	2,243	2,070
France	39,763	106,719	25,958	70,648	37,918
Morocco	-	13,276	24,820	47,793	20,366
New Zealand	-	-	17,779	17,117	8,920
Netherlands	4,282	3,389	16,952	14,216	5,774
Netherlands West Indies	611	791	2,880	2,663	2,993
Canada	46,230	5,931	-	-	-
All other countries	3,321	5,452	26,437	16,690	264
Percentage to the United States	1.0	0.7	11.4	15.2	13.5
	Value in 1,000 U. S. dollars 2/				
Total, all countries	12,291	6,869	8,569	10,740	8,664
United Kingdom 1/	8,755	4,812	5,446	5,250	5,875
UNITED STATES	103	51	953	1,625	1,208
Virgin Islands	55	16	53	53	47
France	1,428	1,569	487	1,554	727
Morocco	-	171	457	1,077	411
New Zealand	-	-	340	390	200
Netherlands	149	41	294	315	112
Netherlands West Indies	32	22	71	73	77
Canada	1,648	92	-	-	-
All other countries	121	95	468	403	7
Percentage to the United States	0.8	0.7	11.1	15.1	14.0
Unit value per short ton of total exports 3/	$34.57	$14.17	$17.88	$22.68	$19.38

1/ Includes exports to Iceland.
2/ Value in U. S. dollars (all years).
3/ See footnote 3, table 3.

Source: Compiled by the U. S. Tariff Commission from official trade statistics of the Dominican Republic. Converted to United States weights by applying the following factor: 1 short ton = 907.194 kilos.

Table 5. - Sugar: Exports from PERU to principal markets, in specified years, 1929 to 1938

Exported to -	1929	1932	1936	1937	1938
	Quantity in short tons				
Total, all countries	400,553	358,393	359,534	344,541	275,504
Chile	126,808	96,866	128,200	129,901	125,492
United Kingdom	131,214	226,165	143,181	109,807	62,118
UNITED STATES	3	30	20,495	46,373	56,477
Bolivia	8,637	10,311	22,636	24,548	21,893
Ecuador	1/	-	8,339	4,750	3,153
France	29,200	14,752	8,971	-	-
Belgium	18,469	4,822	634	340	566
Uruguay	7,824	2,952	11,655	2,612	1,715
Germany	912	1,540	2,142	2,378	1,653
All other countries	2/77,486	955	13,281	23,832	2,437
Percentage to the United States	3/	3/	5.7	13.5	20.5
	Value in 1,000 soles				
Total, all countries	33,770	25,975	25,031	31,759	24,948
	Value in 1,000 U. S. dollars				
Total, all countries	13,507	5,533	6,233	8,003	5,593
Chile	4,313	1,466	2,211	2,933	2,449
United Kingdom	4,444	3,503	2,399	2,471	1,221
UNITED STATES	4/	1	346	1,091	1,174
Bolivia	316	202	457	709	543
Ecuador	1/	-	175	121	79
France	931	193	153	-	-
Belgium	622	72	10	8	11
Uruguay	271	53	212	69	34
Germany	31	24	37	56	33
All other countries	2/ 2,579	19	233	546	49
Percentage to the United States	3/	3/	5.5	13.6	21.0
Unit value per short ton of total exports 5/	$33.72	$15.44	$17.34	$23.23	$20.30

1/ Not shown separately. 2/ Includes as follows: Canada, 32,966 short tons valued at $1,118,360; New Zealand, 14,863 short tons valued at $475,104. 3/ Less than one-tenth of 1 percent. 4/ Not over $500. 5/ See footnote 3, table 3.

Source: Compiled by the U. S. Tariff Commission from official trade sta-istics of Peru. Converted to U. S. weights and currency by applying the ollowing factors: 1 short ton = 907.194 gross kilos; 1 sole = 1929, 0.4000; 1932, $0.2130; 1936, $0.2490; 1937, $0.2520; 1938, $0.2242.

Table 6. - Sugar: Exports from HAITI to principal markets, in specified years 1929 to 1938, fiscal years ended September 30

Exported to -	1929	1932	1936	1937	1938
	Quantity in short tons				
Total, all countries	5,213	22,701	38,363	35,720	37,909
United Kingdom	2,847	21,892	31,403	29,796	20,577
UNITED STATES	210	258	5,726	3,797	15,792
Netherlands West Indies	-	7	352	752	836
Virgin Islands	-	200	675	1,150	622
All other countries	1/ 2,156	344	207	225	82
Percentage to the United States	4.0	1.1	14.9	10.6	41.7
	Value in 1,000 gourdes				
Total, all countries	1,054	2,221	3,822	4,083	3,893
	Value in 1,000 U. S. dollars				
Total, all countries	211	444	764	817	779
United Kingdom	109	418	608	674	389
UNITED STATES	11	7	126	91	346
Netherlands West Indies	-	2/	9	19	22
Virgin Islands	-	7	16	27	19
All other countries	1/ 91	12	5	6	3
Percentage to the United States	5.3	1.6	16.5	11.2	44.5
Unit value per short ton of total exports 3/	$40.44	$19.57	$19.93	$22.86	$20.54

1/ Includes 1,781 short tons valued at $71,260 exported to Canada. There were no other shipments to Canada in the years shown.
2/ Not over $500.
3/ See footnote 3, table 3.

Source: Compiled by the U.S. Tariff Commission from official trade statistics of Haiti. Converted to U.S. weights and currency by applying the following factors: 1 short ton = 907.194 kilos. 1 gourde = $0.2000 (all years).

Table 7. - Sugar: Exports from BRAZIL to principal markets, in specified years, 1929 to 1938

Exported to -	1929	1932	1936	1937 1/	1938 1/
	Quantity in short tons				
Total, all countries	16,399	44,598	99,399	343	8,974
United Kingdom	8,486	39,069	98,710	-	8,400
Portugal	9	146	69	2/	-
Uruguay	5,003	4,922	297	212	390
Argentina	478	134	177	13	-
All other countries	3/ 2,423	327	146	4/ 118	4/ 184
	Value in 1,000 milreis				
Total, all countries	9,028	19,174	43,724	328	2,882
	Value in 1,000 U. S. dollars				
Total, all countries	1,066	1,365	2,858	22	167
United Kingdom	569	1,203	2,837	5/	5/
Portugal	1	5	7		
Uruguay	395	141	6		
Argentina	23	6	3		
All other countries	3/ 78	10	5		
Unit value per short ton of total exports 6/	$65.02	$30.61	$28.75	$65.27	$18.63

1/ The statistics for the countries shown are taken from "Statistical Bulletin of the International Sugar Council",August 1939.

2/ Not over 500 pounds.

3/ Includes 2,416 short tons valued at $77,400 exported to France.

4/ Mostly to Colombia and Bolivia.

5/ Not available.

6/ See footnote 3, table 3.

Source: Compiled by the U. S. Tariff Commission from official trade statistics of Brazil. Converted to United States weights and currency by applying the following factors: 1 short ton = 907.194 kilos; 1 milreis = 1929, $0.1181; 1932, $0.0712; 1936, $0.06537; 1937, $0.06326; 1938, $0.0580.

Table 8. - Sugar: Exports from ARGENTINA to principal markets, in specified years, 1929 to 1938

Exported to -	1929	1932	1936	1937	1938
	Quantity in short tons				
Total, all countries --	10,034	1,553	5,436	1,385	2,900
Bolivia -------------	6,372	1,520	5,337	1,314	2,805
All other countries - 1/	3,662	33	99	71	95
	Value in 1,000 paper pesos				
Total, all countries --	3,004	522	1,864	449	1,082
	Value in 1,000 U. S. dollars 2/				
Total, all countries --	1,257	134	544	139	322
Bolivia -------------	798	131	534	131	311
All other countries - 1/	459	3	10	8	11
Unit value per short ton of total exports 3/ -------	$125.31	$86.41	$100.07	$100.15	$110.92

1/ Includes Uruguay, 1,854 short tons valued at $232,344; Paraguay, 1,539 short tons valued at $192,843; Brazil, 267 short tons valued at $33,434.

2/ For 1929 and 1932 the U. S. dollar value has been converted from the gold peso value. One gold peso is equal to 2.272727 paper pesos. The conversion rates for the gold peso are as follows: 1929, $0.9513; 1932, $0.5844.

3/ See footnote 3, table 3.

Source: Compiled by the U. S. Tariff Commission from official trade statistics of Argentina. Converted to United States weights and currency by applying the following factors: 1 short ton = 907.194 kilos; 1 peso = 1929, $0.4186; 1932, $0.2571; 1936, $0.2918; 1937, $0.3036; 1938, $0.2973.

Trade barriers, competitive conditions, and prices.

Since 1934 the marketing of sugar in continental United States has been limited by law.[1] The Secretary of Agriculture under this authority designates at the beginning of the year the maximum quantity to be marketed, subject to revision during the year. The estimated consumption is apportioned to the supplying areas in accordance with a formula set forth in the statute. The continental producing areas, the domestic offshore areas,[2] Cuba, and each of the other regular foreign supplying countries are assigned definite pro-rata shares or quotas of the total designated supply. Of the total United States consumption of sugar, under the quota program, Cuba supplies about 29 percent, and all other Latin American countries combined furnish less than 2 percent.[3] Under the quota system, the United States continental supply of sugar is definitely limited, and Cuba, the Dominican Republic, Peru, and other Latin American exporters cannot ship to the United States any sugar in excess of a definite proportion of the designated supply, even though at times the United States price (exclusive of duty) is appreciably higher than that realized by these exporters in other world markets.

In order to stabilize the production and international marketing of sugar, the countries which are the major exporters and importers of sugar concluded an international Sugar Agreement at London on

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[1] Except for the period Sept. 12 to Dec. 31, 1939, when the quotas were suspended by Presidential proclamation because of excessive prices arising out of speculation stimulated by the declaration of war in Europe.

[2] Hawaii, Puerto Rico, the Philippines, and the Virgin Islands. From all of these, sugar enters continental United States free of duty.

[3] Quotas will continue in force in the United States during the year 1940. Thereafter they will cease to be operative unless Congress extends the quota provisions of the Sugar Act of 1937, which expires on Dec. 31, 1940.

May 6, 1937. Under the terms of this agreement, the major exporting countries agreed to limit for a period of 5 years their exports of sugar to the so-called "free market," a term used to designate the limited international trade in sugar which does not enjoy preferential treatment. The principal importing countries also agreed not to adopt measures which would reduce the free market for sugar. The countries of Latin America which are parties to the International Agreement are Cuba, Peru, the Dominican Republic, Brazil, and Haiti.

Barriers to international trade in sugar, other than quotas, are import duties, excise taxes, import licensing systems, and sugar rationing. In May 1938 the import duties and excise taxes in the four leading importing countries, per pound of refined sugar, were as follows: United States, 2.5225 cents (on Cuban sugar, 1.489 cents);1/ the United Kingdom, 1.25 cents; Canada, 2.89 cents; and France, 1.48 cents.2/

1/ The rate quoted for the United States includes the processing tax of 0.535 cent per pound on refined sugar, but this tax is applicable to both domestic and imported sugars. After the suspension of the quota system on Sept. 12, 1939, the United States rate of duty on 96-degree Cuban sugar became 1.5 cents per pound, and the rate on refined Cuban sugar including the tax was 2.125 cents per pound. The United States duty on 96-degree sugar was reduced by Presidential proclamation from 2.5 cents per pound to 1.875 cents, effective June 8, 1934, and the duty on 96-degree sugar from Cuba became 1.5 cents per pound instead of 2 cents, Cuba having a tariff preference of 20 percent in this country. As a result of the trade agreement with Cuba, effective Sept. 3, 1934, the duty on 96-degree Cuban sugar was reduced to 0.9 cent per pound, so long as the quota system remained in force. Sugar from Cuba remained dutiable at this rate until Sept. 12, 1939, when the quotas were suspended. The 0.9 cent rate was restored on Dec. 26, 1939 (when notice was given that quotas would be reinstated), in accordance with the provisions of a supplemental agreement with Cuba signed Dec. 18, 1939.

2/ U. S. Department of Commerce, Sugar, Retail Prices in 43 countries, Dec. 1938. The rates quoted for foreign countries are the non-preferential rates.

A substantial quantity of sugar (especially full-duty sugar from Latin American countries other than Cuba) is imported into the United States for refining and reexport with benefit of drawback. The United Kingdom and Canada have preferential duties on sugar from empire sources. Sugar from French colonies pays the French consumption tax, as do imports from foreign countries, but sugar from assimilated colonies is free of duty and that from nonassimilated colonies is accorded the minimum tariff rate. Since the declaration of war in Europe, most European countries have rationed sugar supplies, thus curtailing civilian consumption. Moreover, these same countries have imposed rigid controls over imports through licensing systems.

The price of sugar in London was high in 1929 and low in 1932; the recovery in the London price of sugar after 1932 went steadily forward, reaching a peak in 1939, although at no time did it approach the level of 1929. In the United States the price of sugar (ex-duty) followed the world trend of sugar prices until 1934; in that year the quota system was established and thereafter the principal factor affecting the price of sugar in this country was the quantity permitted to be marketed. The price (ex-duty) in this country was higher in 1935-38 than in 1929. The duty-paid price, however, was higher in 1929 than in any subsequent year.1/

1/ Variations in the spread between the New York price ex-duty and the duty-paid price were caused, of course, by changes in the rate of duty on Cuban sugar.

With the declaration of war in Europe in September 1939, the price of sugar in the two markets rose sharply. It declined somewhat in the last 3 months of 1939, but increased in the first 4 months of 1940, though it remains considerably below the September peak (see table 9).

Table 9.- Raw sugar, 96°: Wholesale price quotations in New York, London, and Cuba, annual 1929-39, and monthly August 1939 to April 1940

(Cents per pound)

Period	New York duty-paid 1/	New York 2/	London 3/
1929	3.76	2.00	1.91
1930	3.37	1.48	1.36
1931	3.34	1.34	1.25
1932	2.93	.93	.87
1933	3.23	1.23	.97
1934	3.00	1.48	1.04
1935	3.23	33	1.00
1936	3.61	2.71	1.00
1937	3.45	2.55	1.07
1938	2.94	2.04	1.14
1939	2.95	1.87	1.46
1939 -			
August	2.86	1.96	1.35
September	3.69	2.37	4/ 2.17
October	2.96	1.46	4/ 1.80
November	3.01	1.51	4/ 1.47
December	2.97	1.54	4/ 1.35
1940 -			
January	2.85	1.96	4/ 1.51
February	2.83	1.94	4/ 1.54
March	2.82	1.93	4/ 1.54
April	2.84	1.95	4/ 1.47

1/ The duty on 96-degree Cuban sugar in 1929 was 1.7648 cents per pound; in 1930-34, 2 cents per pound; June 8, 1934-Sept. 2, 1934, 1.5 cents per pound; Sept. 3, 1934-Sept. 11, 1939, 0.9 cent per pound; Sept. 12, 1939-Dec. 25, 1939, 1.5 cent per pound; and from Dec. 26, 1939, 0.9 cent per pound.

2/ C. and f. New York quotations.

3/ C.i.f. London quotations on the New York c. and f. basis.

4/ Spot quotations, f.o.b. Cuba, No. 4 Contract, as established daily by the New York Coffee and Sugar Exchange - London quotations were discontinued in September 1939.

Source: Sugar Statistics, U. S. Tariff Commission, 1940

Effects of the European war.

Europe produces about 80 percent of its requirements of sugar. More than one-half of its imports are obtained from the Western Hemisphere. The United Kingdom is the largest importer of sugar in Europe. Many of the smaller European countries, deficient in the supply of sugar, import the major portion of their requirements from other European countries. The important surplus producing countries of Europe are Germany, Czechoslovakia, and Poland.

Because present world stocks and productive capacity are greater than those in 1914-18, it is unlikely that prices of sugar will advance to the levels prevailing in 1919. But should beet sugar production in Europe be curtailed as a result of a prolonged war, it is possible that the price of sugar might increase somewhat despite the rationing of sugar in most European countries. The blockade of European ports, so long as it is effective, will restrict the sale of Latin American sugar except to the United States, Canada, and Latin America itself. The United Kingdom has been the principal market for exports from the Dominican Republic, Haiti, and Brazil; it has been an important market for Cuba and Peru. Sales of Latin American sugar to the United States will be governed chiefly by the sugar policy of this country.

Should the United States abandon the quota system, no Latin American country other than Cuba would find it profitable to sell sugar in this market because of the tariff preference accorded sugar from that country.[1] If, however, the Sugar Act of 1937 is renewed, Latin American countries will be permitted to ship limited amounts of sugar to the United States. This they will be likely to do, provided the price of sugar in the United States exceeds the world price by an amount at least equal to the duty which they are required to pay.

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[1] Limited quantities might be imported into the United States from countries other than Cuba by refiners, fruit canners, and others to be used in the export trade, inasmuch as they would receive benefit of drawback of 99 percent of the duty paid.

Molasses (Blackstrap)

The so-called "blackstrap" molasses is the waste or byproduct molasses obtained in the manufacture of sugar. For duty purposes in the United States, imports of blackstrap molasses are classified as molasses not to be used for the further extraction of sugar or for human consumption. This molasses is used chiefly in the manufacture of industrial alcohol, and to a lesser extent as an ingredient in sweet cattle feeds and in the manufacture of yeast ana vinegar. Certain edible molasses or sirups are imported into the United States from the Barbados and Cuba, but the trade in these products with Latin American countries is not large.

Position of Latin America in world production.

Inasmuch as blackstrap molasses is a byproduct of the sugar industry, the output by countries varies directly with the production of sugar.[1] Many countries consume all or a large part of the molasses which they produce. Brazil, for example, uses molasses in the production of industrial alcohol for fuel purposes, and Haiti in the manufacture of rum. During recent years Cuba, in addition to its production of blackstrap molasses, has also produced large quantities of so-called "high-test" molasses. This is a partially inverted sirup from which no sugar has been extracted, and which is produced from surplus cane. This molasses moves through the same trade channels and is utilized in part for the same purposes (principally in the production of alcohol) as byproduct blackstrap molasses.

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[1] See the discussion on sugar.

Latin American exports.

Cuba leads in volume of exports of molasses from the Latin American countries; about 85 percent comes from this source. The principal exporters, other than Cuba, are the Dominican Republic and Haiti. Practically all of the exports of molasses from these three countries are shipped to the United States. Exports of molasses from Cuba, the Dominican Republic, and Haiti, in specified years, 1929 to 1938, are shown in tables 10 and 11.

Table 10. - Molasses, blackstrap: Exports from CUBA to principal markets, in specified years, 1929 to 1938

Exported to -	1929	1932	1936	1937	1938
	Quantity in 1,000 gallons of 11.7 pounds				
Total, all countries	244,322	130,112	202,718	168,105	118,906
UNITED STATES	242,651	130,111	181,211	163,130	102,976
United Kingdom	1,670	-	21,391	4,122	13,117
All other countries	1	1	116	853	[1] 2,813
Percentage to the United States	99.3	99.9	89.4	97.0	86.6
	Value in 1,000 U. S. dollars[2]				
Total, all countries	11,674	3,457	10,726	8,188	4,387
UNITED STATES	11,603	3,457	9,308	7,881	3,962
United Kingdom	70	-	1,401	263	346
All other countries	1	[3] 279	17	44	[1] 79
Percentage to the United States	99.4	99.9	86.8	96.3	90.3
Unit value per gallon of total exports [4]	$0.048	$0.027	$0.053	$0.049	$0.037

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[1] Principally to Greece and France.

[2] One Cuban peso = 1 U. S. dollar (all years).

[3] Not over $500.

[4] See footnote 3, table 3.

Source: Compiled by the U. S. Tariff Commission from official trade statistics of Cuba.

Table 11. - Molasses, blackstrap: Exports from the DOMINICAN REPUBLIC and HAITI, in specified years, 1929 to 1938 1/

Country	1929	1932	1936	1937	1938
	Quantity in 1,000 gallons of 11.7 pounds				
Dominican Republic	18,959	16,409	21,191	18,916	20,576
Haiti 2/	1,860	2,547	2,141	2,043	2,996
	Value in foreign currency				
Dominican Republic (1,000 dollars)	689	441	985	844	616
Haiti 2/ (1,000 gourdes)	627	387	570	393	597
	Value in 1,000 U. S. dollars				
Dominican Republic	689	441	985	844	616
Haiti 2/	125	77	114	79	119
	Value per gallon 3/				
Dominican Republic	$0.036	$0.027	$0.046	$0.045	$0.030
Haiti 2/	.067	.030	.053	.038	.040

1/ Practically all shipped to the United States.
2/ Fiscal year ended September 30.
3/ See footnote 3, table 3.

Source: Compiled by the U. S. Tariff Commission from official trade statistics of the countries listed. Converted to United States weights and currency by applying the following factors: 1 kilo = 0.188427 gallon; Haiti - 1 gourde = $0.2000 all years; Dominican Republic - reported in U. S. dollars, all years.

Trade barriers, competitive conditions, and prices.

Balckstrap molasses entering the United States is dutiable at the rate of three one-hundredths of 1 cent a pound of total sugars, equal on the average to about 0.2 cent per gallon, and from 3 to 6 percent ad valorem according to fluctuations in the price.[1/] In the United States blackstrap molasses is used as a raw material in the manufacture of ethyl alcohol, but during the last few years the production of alcohol synthetically from petroleum or natural gas has become increasingly important. In 1939 (fiscal year), the synthetic production of ethyl alcohol in the United States amounted to 48 million proof gallons, which was nearly four times the production by this method in 1934. The total United States production of ethyl alcohol in 1939 amounted to 201 million gallons, of which about 68 percent was made from molasses and 24 percent from petroleum or natural gas. Any material increase in the price of molasses would probably stimulate the production of alcohol from petroleum or natural gas.

The average price quotation for inedible blackstrap molasses in tank carlots at New York was 11.65 cents per gallon in 1929; it declined slightly in 1930 and sharply in 1931 and 1932, reaching 5 cents per gallon in the latter year. After 1932 the price advanced to 8.1 cents in 1935 and then declined steadily to 5.3 cents in 1939. With the declaration of war in Europe the quoted price rose from 4.5 cents in August 1939 to 5.75 cents in September, a level which was maintained through March 1940 (see table 12).

1/ Tariff Act of 1930, par. 502.

Table 12. - Molasses (blackstrap, inedible): Price quotations in tank carlots at New York, 1929 to 1940

(F.o.b. New York)

Year	Cents per gallon	Month	Cents per gallon
1929	11.65	1939 -	
1930	11.62	August	4.50
1931	7.00	September	5.75
1932	5.00	October	5.75
1933	6.70	November	5.75
1934	5.60	December	5.75
1935	8.10	1940 -	
1936	7.80	January	5.75
1937	7.25	February	5.75
1938	6.67	March	5.75
1939	5.33		

Source: New York Journal of Commerce (1929-34), and Oil, Paint, and Drug Reporter.

Effects of the European war.

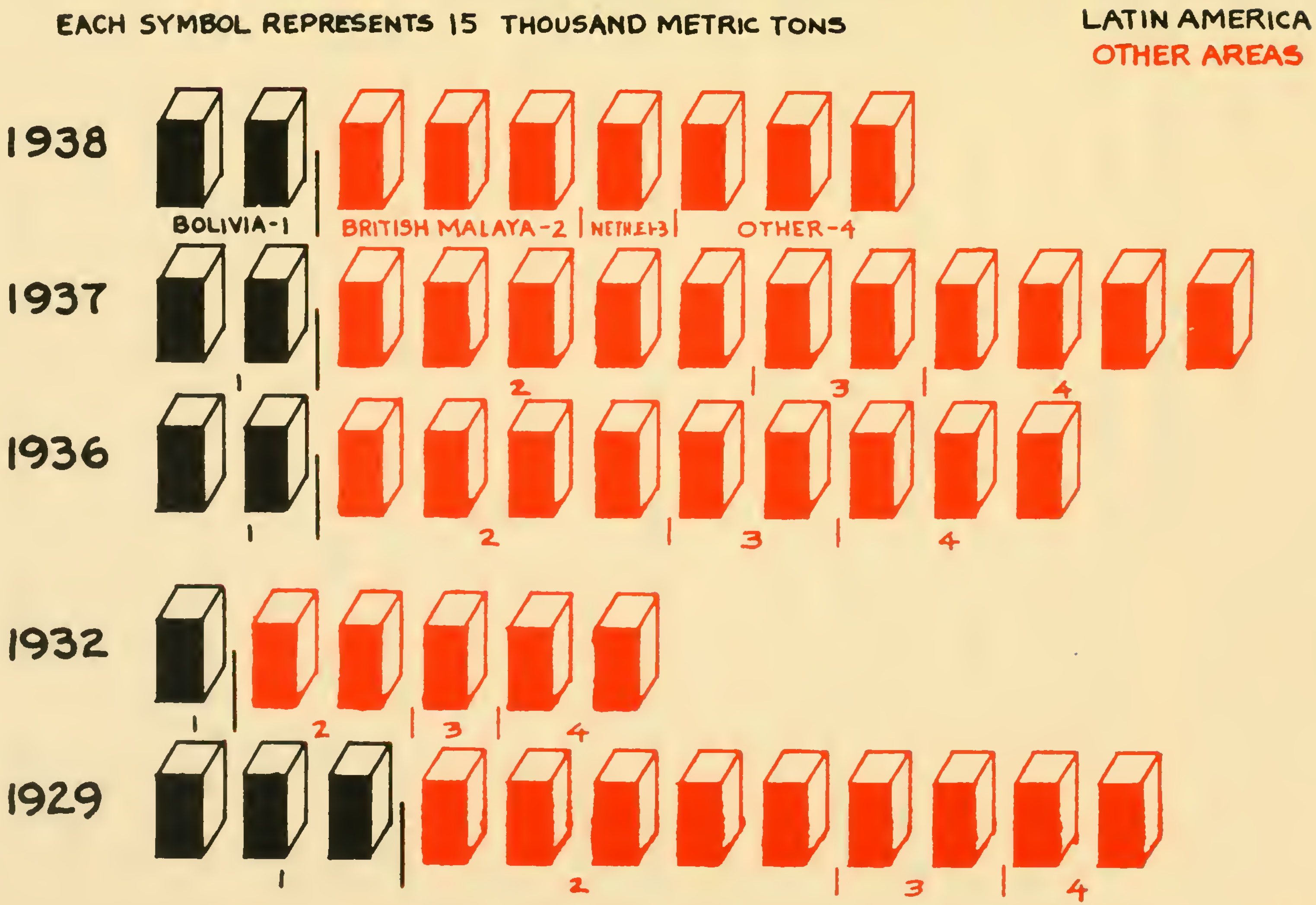
Inasmuch as practically all of the exports of molasses from the countries of Latin America are absorbed by the United States, the war is unlikely to affect these exports directly unless there is a shortage of shipping facilities to the United States. Indirectly, since blackstrap molasses is a byproduct of the sugar industry, production will be affected to the extent that the war affects the production of sugar (see the discussion on sugar). The sugar policy of the United States, however, may be more important to Latin American producers of sugar and molasses than the European war.

TIN

TIN

WORLD EXPORTS

1929, 1932, 1936-1938



EACH SYMBOL REPRESENTS 15 THOUSAND METRIC TONS

U.S. TARIFF COMMISSION, 1940.

Tin

Tin is utilized in the production of tin plate for containers, as an alloy in bronze, bearing metals, babbitts, and pewter, and in the production of solder. Although glass and paper containers may to a certain extent be substituted for tin containers, there is no acceptable substitute for tin in the production of bronze or solder.

Position of Latin America in world production.

The Federated Malay States, Bolivia, the Netherlands Indies, Thailand, China, and Nigeria produce about 80 percent of all the tin mined. Australia, the United Kingdom, and Argentina rank next in importance. Tin is mined in 12 or more other countries, no one of which produces a significant proportion of the world total. The United Kingdom is the only industrial country which has tin mines of importance (see table 1).

Tin ore is mined in Bolivia, and to a small extent in Argentina; the entire production is exported. Bolivian tin ores are complex, and the production of good quality metal from them is much more difficult than it is from the ores of Malaya and Cornwall. The Bolivian ore carries too much impurity to be satisfactorily treated without "sweetening" with the purer ore of Malaya. For this reason, and because of financial interrelationships, almost all of the Bolivian tin ore is shipped to the United Kingdom for smelting.

Over half of the world's tin ore is smelted in the Straits Settlements, which draws supplies from the Malay States, the Netherlands Indies, Thailand, Burma, Japan, and South Africa. About one-fourth is smelted in England from Cornish, Bolivian, and Nigerian supplies. Smaller tin smelting industries are located in China, Germany, Australia, the Netherlands, and France; some of the silver-bearing portion of the Bolivian tin ore is smelted locally.

Table 1. - Tin: Production of principal producing countries of Latin America and of the world, in specified years, 1929 to 1938

Country	1929	1932	1936	1937	1938
	Short tons (tin content of ore)				
Latin America:					
Bolivia	51,897	23,054	26,963	28,027	28,416
Argentina	-	-	997	1,495	1/ 2,240
Total above Latin American countries	51,897	23,054	27,960	29,522	30,656
Other countries:					
Federated Malay States	75,085	30,368	74,823	86,847	48,437
Netherlands Indies	39,146	16,689	35,486	44,604	23,546
Thailand	11,779	10,372	14,199	18,473	15,142
China	7,591	7,980	11,760	11,760	12,320
Nigeria	12,022	4,675	10,790	11,724	8,182
Other Asia	7,419	7,889	9,214	9,435	8,770
Australia	2,508	2,395	3,391	3,643	3,920
United Kingdom	3,664	1,497	2,351	2,225	2,251
Union of South Africa	1,344	645	691	605	647
All other countries	2,546	2,676	11,278	14,235	11,564
World total	215,001	108,240	201,943	233,073	165,435
	Percent of world production				
Latin American countries listed above	24	21	14	13	18

1/ Estimated.

Source: American Bureau of Metal Statistics.

Latin American exports.

In 1937, the Bolivian tin quota [1] was set at 44,100 long tons of which only 23,860 long tons were actually exported. In 1938 exports from Bolivia amounted to 25,484 long tons. Failure of Bolivia to meet its quota in recent years is attributed in part to the labor shortage resulting from the Chaco War, and in part to exchange restrictions affecting exports. No tin was exported from Argentina in 1929 or 1932; in 1936 exports from that country amounted to 1 thousand long tons and in 1938 to 2.2 thousand long tons.

Tin concentrates, the most important Bolivian export commodity, have gone principally to the United Kingdom (90 percent), and to Belgium and the Netherlands. Other purchasers were Chile, the United States, Germany, and Japan. Over half of the tin slag was purchased by Belgium. Smaller quantities were taken by the United Kingdom, the Netherlands, and France. Exports of tin concentrates from Bolivia to principal markets, in specified years, 1929 to 1938, are shown in table 2.

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[1] The international quota system is described under the heading "Trade barriers, competitive conditions, and prices."

Table 2. - Tin concentrates: Exports from BOLIVIA to principal markets, in specified years, 1929 to 1938

Exported to -	1929	1932	1936	1937	1938 1/
	Quantity in long tons 2/				
Total, all countries	45,110	20,050	23,718	23,860	25,484
United Kingdom	44,296	18,661	22,525	21,584	22,220
Belgium	468	662	301	1,023	2,002
Netherlands	188	725	859	1,181	1,233
Germany	144	-	3/	7	14
UNITED STATES	2	-	18	8	11
Chile	-	-	15	56	-
All other countries	4/ 12	2	3/	1	4/ 4
Percentage to the United States	5/	-	0.1	5/	5/
	Value in 1,000 Bolivianos				
Total, all countries	98,018	33,585	61,964	77,791	64,692
	Value in 1,000 U. S. dollars				
Total, all countries	35,817	7,667	23,810	28,394	23,613
United Kingdom	35,169	7,126	22,617	25,667	20,596
Belgium	369	255	306	1,222	1,851
Netherlands	142	285	855	1,421	1,138
Germany	128	-	6/	8	14
UNITED STATES	1	-	17	10	10
Chile	-	-	15	65	-
All other countries	4/ 8	1	6/	1	4/ 4
Percentage to the United States	5/	-	0.1	5/	5/
Unit value per long ton of total exports	$794	$382	$1,004	$1,190	$927

1/ Includes slag amounting to 1,724 long tons valued at $1,581,993. Exports of slag for previous years are:

	Long tons	Thousands of United States dollars
1929	6,765	997
1932	3,215	210
1936	2,212	331
1937	9,437	1,495

2/ 1938 is known to be stated in terms of tin content. Previous years are believed to be so stated. 3/ Not over 1,000 pounds. 4/ Consists of exports to France only. 5/ Less than one-tenth of 1 percent. 6/ Not over $500.

Source: Compiled by the U. S. Tariff Commission from official trade statistics of Bolivia. Converted to United States weights and currency by applying the following factors: 1 kilo = 2.2046 pounds; 1 long ton = 1016.057 kilos; 1 Boliviano = 1929 - $0.3588; 1932 - $0.2122; 1936-38 - $0.3650.

Trade barriers, competitive conditions, and prices.

Export taxes are imposed on tin ore shipped from British colonies to other than British territory, thus restricting the smelting of the ore in other countries.

Tin ore, tin in bars, blocks, or pigs, alloys in chief value of tin, and grain or granulated and scrap tin, including scrap tin plate, enter the United States free of duty.[1] Tin is also admitted free of duty in most of the other important consuming countries.

The United States is the largest tin consuming country in the world. It relies wholly on imports, which enter chiefly in the form of bars or blocks. United States imports of tin metal in 1939 amounted to 78,514 short tons; principal sources were as follows: From British Malaya, 52,399 short tons; the United Kingdom, 11,981; the Netherlands, 5,953; China, 3,650; and other countries, 4,531. A substantial proportion of United States requirements of tin might be obtained from Bolivian ore smelted in the United States if the export taxes on tin ore from British colonies were reduced or eliminated, so that this country could obtain Malayan ore for mixture with that from Bolivia. Under existing conditions, however, this seems improbable.[2]

The leading producing countries, British Malaya, Bolivia, the Netherlands Indies, Nigeria, and others have entered into arrangements to restrict the production of tin. The agreements, of which the first went into effect in 1931, established for the several producing countries quotas which have been varied from time to time. In the same year an International Tin Pool was announced, with the apparent purpose of holding accumulated tin stocks and releasing them to the market only under certain agreed prices. Since the beginning of the European war, the quotas established for the producing countries by the International Tin Committee have been increased several times, rising from 45 percent of the standard tonnage to 130 percent.

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[1] Tariff Act of 1930, pars. 1785 and 1786. Should domestic production ever amount to 1,500 tons of tin ore, paragraph 1785 provides for a duty of 4 cents per pound on the ore and of 6 cents per pound on tin bars or pigs. Inasmuch as domestic production is negligible, this provision has never been operative.

[2] The reduction of export duties on tin ore from Nigeria in the trade agreement with the United Kingdom has not given any impetus to the redevelopment of smelting in the United States.

Although affected appreciably by the international control of production and marketing, the price of tin has nevertheless followed in general the price trend of most other commodities. New York quotations, which averaged 45 cents per pound in 1929, declined to an average of 22 cents in 1932. The average price increased thereafter, reaching 52 cents per pound in 1934; it declined in 1935-36, but rose to 54 cents in 1937. In 1938 the average price was 42 cents per pound and in 1939, 50 cents. During the period September 1939-March 1940 (except for September and October) the price of tin did not increase; in fact, it declined slightly (see table 3). The frequent increases in the quotas of the various producing countries since September 1939 have probably been a factor in stabilizing the price.

The prices of tin in London have been practically the same as the unit values of United States imports, most of which originate in British Malaya and the United Kingdom. United States prices have usually been somewhat higher than those in London, principally because of the cost of transportation. In the last 4 months of 1939, United States prices were considerably higher than London prices, but this is attributable to the uncertainty created in this country by the European war regarding future supplies.

Table 3. - Tin: Average prices in the United States and the United Kingdom, 1929-40

(Cents per pound)

Year	United States		London quotation[2]
	Unit value of imports[1]	New York quotation[2]	
1929	$0.47	$0.45	$0.44
1930	.33	.32	.31
1931	.25	.24	.24
1932	.21	.22	.21
1933	.36	.39	.38
1934	.50	.52	.52
1935	.48	.50	.49
1936	.44	.46	.45
1937	.53	.54	.53
1938	.40	.42	.41
1939	.45	.50	.45
1939 -			
August	.46	.49	.47
September	.46	.65	.41
October	.45	.55	.41
November	.43	.52	.40
December	.43	.51	.44
1940 -			
January	.42	.47	.43
February	.43	.46	.43
March	.44	.47	.42

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[1] Compiled from official statistics of the U. S. Department of Commerce.

[2] Engineering Mining Journal.

Effects of the European war.

Western Hemisphere countries account for 40 to 50 percent of world tin consumption and this area produces less than 25 percent of the world's output - almost entirely in Bolivia. Although practically all of Bolivia's tin goes to Europe for processing, the Western Hemisphere - a large importer of the product - cannot be regarded as an important supplier of Europe's consumption. Both Europe and the Western Hemisphere depend chiefly on the Malay States and Netherlands Indies for their supplies of tin.

Because of the increased demand for tin containers, for solder, and for machinery and other implements containing bronze, there has been an increase in the demand for tin as a result of the European war.

Since the United Kingdom customarily takes 90 percent of Bolivian tin ore, continuance of Bolivian exports during the war presumably depends upon the ability of the United Kingdom to keep the sea lanes open, to provide adequate shipping space, and to finance tin shipments. In the event that Bolivian tin ore cannot be shipped to the United Kingdom, and no other market is developed, the situation for Bolivian producers may become extremely difficult.

In the past the smelting of Bolivian tin ore in the United States has not been considered practicable. Export taxes imposed on tin ore from British colonies to tin smelteries in other than British territory have practically precluded shipment to the United States. Tin smelteries which formerly operated in the United States, therefore, were confined to purchases of ore in non-British countries, with Bolivia the nearest source. The Bolivian ore, however, has carried too much impurity to be satisfactorily treated without "sweetening" with the purer ore of Malaya or Nigeria, and the cost of such ore in the United States has been high because of the effect of the export taxes and the operation of the international agreement. For this and other minor reasons, tin ore smelting in the United States ceased in 1923.

It is possible that satisfactory methods for smelting Bolivian tin may be developed in the United States; efforts are already being made to achieve this objective. Should they be successful, the United States would be able to consume the entire Bolivian output.1/

1/ Bolivian exports were highest in 1929 when they amounted to 43 thousand long tons; they were 27 thousand long tons in 1939. United States imports in 1939 aggregated 70 thousand long tons.

TOBACCO

Tobacco and Manufactures

The cultivation of tobacco was carried on in Latin America before the colonial period. The plant was taken to Spain in 1558, but its utilization for smoking purposes spread to the continent from England. During the seventeenth century, the use of tobacco spread rapidly, and its production and preparation have since become an industry of great importance.

Pronounced differences have been developed between the several types of leaf tobacco used in the manufacture of cigarettes, cigars, chewing and smoking tobacco, and snuff. Varieties of seed, soil, and climatic conditions, and methods of cultivation and curing are all factors in determining the type or grade produced. The differences between types have become so marked that even the most important producing countries import tobaccos of types and grades not produced by them. Thus the United States, which exports nearly 40 percent of all of the tobacco entering into international trade, expends annually millions of dollars for aromatic cigarette leaf of the Turkish type from Near Eastern countries, and for cigar leaf from Cuba and Sumatra. Likewise, Brazil, the largest tobacco exporter among the Latin American countries, continues to import leaf tobacco, chiefly from the Netherlands. Differences among types of tobacco, therefore, as well as inequalities in the aggregate supply and demand, account for the large volume of international trade in tobacco.

Position of Latin America in world production.

China, the United States, and British India are the largest tobacco-producing countries in the world (in terms of quantity); the next largest, in order, are, Brazil, Turkey, Greece, the Netherlands Indies, and Cuba. Tobacco is grown and manufactured in virtually all of the Latin American countries. At least four of them - Brazil, Cuba, Argentina, and Mexico - each produce more than 20 million pounds of tobacco annually. Cuba and Brazil are among the 10 leading tobacco exporting countries of the world. Together, Latin American countries account for 6 to 8 percent of the world's tobacco production (excluding China) and for 9 to 12 percent of the exports of the principal exporting countries. Production of tobacco in the principal producing countries of Latin America and of the world, in specified years 1929 to 1938, is shown in table 1.

Most of the Latin American countries produce tobacco chiefly for domestic consumption. In those countries, as in the rest of the world, cigarettes have become the most important form of tobacco consumption. Dark tobaccos, of types not considered suitable for cigarette manufacture in the United States, are used for much of the cigarette production in Latin American countries. Cigarettes are made principally by cigarette machines imported from the United States, but some German and Scandinavian machines are also used. The relatively small imports of tobaccos into Latin American countries consist of types distinct from those grown domestically. Such tobaccos as bright flue-cured from the United States for cigarettes and fine tobaccos from Cuba for cigars make up most of the imports, although there is some movement of tobaccos between the various Latin American countries other than Cuba; Brazil, for example, ships large quantities of dark tobaccos to Argentina and Uruguay.

In recent years exports of leaf tobacco from the United States have constituted more than one-third of the total shipments from the world's principal tobacco trading countries (see table 2). United States exports have been more than three times as large as those of any of the other principal exporting countries, such as the Netherlands Indies, Greece, Turkey, or Brazil. In recent years production of tobacco in the United States has ranged from 1.2 to 1.6 billion pounds annually, while exports have ranged from about 400 to 600 million pounds. Total United States exports to Latin American countries in the last decade have been only between 1 and 2 percent of total exports to all countries. Since the peak of exports to Latin American countries of 11 million pounds in 1917, the trend has been downward and shipments to those countries in 1938 amounted to less than 4½ million pounds.

Table 1. - Tobacco: Production in principal producing countries of Latin America and of the world, in specified crop years, 1928-29 to 1938-39 1/

(Quantities in thousands of pounds)

Country	1928-29	1931-32	1935-36	1936-37	1937-38	1938-39 2/
Brazil	241,554	3/187,153	191,573	205,991	4/	4/
Cuba	59,965	80,670	42,446	42,073	55,308	55,232
Argentina	23,307	28,953	33,563	23,114	17,225	40,490
Mexico	27,793	25,183	30,881	28,017	25,353	20,283
Chile	13,868	8,403	14,902	15,253	4/	4/
Dominican Republic	5/29,983	4/	8,818	4/	26,455	13,228
Colombia	19,553	4/	4/	4/	4/	4/
Paraguay	4/	31,177	8,801	4/	4/	4/
Uruguay	848	1,564	1,029	971	1,525	4/
Total, above Latin American countries	416,871	363,103	332,013	315,419	4/	4/
China	4/	6/465,000	1,357,813	1,392,866	1,396,945	1,638,679
UNITED STATES	1,374,547	1,583,567	1,297,155	1,155,328	1,562,886	1,378,534
British India	1,351,420	1,395,520	1,458,240	1,218,560	4/	4/
Turkey	102,863	112,679	79,375	163,253	161,778	134,906
Netherlands Indies	116,236	141,042	110,619	119,926	123,063	4/
Greece	129,493	95,273	101,549	178,503	151,617	101,756
Rumania	34,080	24,926	28,737	33,218	22,635	27,560
All other countries	1,415,490	986,890	320,499	435,927	1,782,210	4/
Estimated world production, excluding China	4,941,000	5,168,000	5,036,000	5,013,000	5,327,000	4/
	Percent of total world production, excluding China					
Latin American countries listed above	8.4	7.0	6.5	6.3	4/	4/

1/ Years beginning July 1.
2/ Preliminary.
3/ 1930-31 included in total.
4/ Not available.
5/ Export crop.
6/ Estimated.

Source: U. S. Department of Agriculture, Agricultural Yearbook.

Table 2. - Leaf tobacco:[1] Exports from principal producing countries of Latin America and of the world, in specified years, 1929 to 1938

Country	1929	1932	1936	1937	1938 [2]
	Quantity in 1,000 pounds				
Brazil	65,588	57,898	68,344	80,688	59,002
Cuba	46,693	36,869	23,049	27,379	28,029
Dominican Republic	36,297	9,779	10,558	6,912	16,320
Paraguay	18,995	14,228	7,260	9,589	5,953
Total, above Latin American countries	162,573	118,774	109,211	124,568	109,304
UNITED STATES	565,902	411,159	425,269	434,796	489,093
Netherlands Indies	161,289	163,604	106,525	107,458	107,783
Turkey	71,971	63,589	54,451	90,694	95,904
Philippine Islands	64,833	50,521	34,195	25,029	25,958
All other countries	340,874	234,162	313,095	333,653	381,430
Total world exports [3]	1,372,442	1,091,809	1,042,746	1,116,198	1,209,472
	Percent of total world exports				
Latin American countries listed above	12.2	10.9	10.5	11.2	9.0

[1] Tobacco comprises leaf, stems, and trimmings.
[2] Preliminary.
[3] **Approximately** 40 countries represented.

Source: Compiled by the U. S. Tariff Commission from official trade statistics of the Latin American countries designated, and from the Annual Report on Tobacco Statistics, U. S. Department of Agriculture.

Latin American exports.

In international trade, Brazil and Cuba are the leading tobacco countries of Latin America. Tobacco production in Brazil is carried on chiefly in the States of Bahia and Rio Grande do Sul, the former accounting for 85 to 95 percent of all of the Brazilian tobacco exported. In Bahia, tobacco is second only to cacao in importance among agricultural products; it is grown in all parts of the State except the southeast, and is cultivated almost exclusively by small land holders. Principal destinations for Brazil's exports of tobaccos (nearly all dark tobaccos) are Germany, the Netherlands, Argentina, France, Algeria, Belgium, and Uruguay; none of this tobacco goes to the United States (see table 3). In 1938 trade restrictions, and especially the inability of German importers to obtain adequate import licenses, have affected unfavorably Brazilian export trade in tobacco. Total Brazilian exports declined from 81 million pounds in 1937 to 59 million pounds in 1938; shipments to both Germany and the Netherlands were lower in 1938 than in 1937.

For many years Cuba has been famous as a center of production of fine cigar tobaccos and of fine cigars. In terms of value, tobacco is second to sugar among Cuban export products. By far the larger part of Cuba's production of tobacco and cigars is exported, so that prosperity in the Cuban industry is directly affected by conditions in export markets, especially the United States. The value of Cuba's exports of cigar tobaccos, for which the United States is the principal market, is about three times that of its exports of cigars, for which the United Kingdom is the chief outlet. Principal markets for Cuban leaf tobacco, other than the United States, are Spain, Germany, Argentina, the Netherlands, Canada, Uruguay, and Chile. Principal destinations for shipments of Cuban cigars, other than the United Kingdom, are Spain, France, British Africa, Argentina, Germany, Canada, Chile, and the United States (see tables 4 and 5).

In recent years the Cuban industry has suffered severely because of various developments which have restricted its export trade. The value of Cuban exports of tobacco and tobacco products fell from over 40 million dollars in 1929 to 14 million dollars in 1938. The mechanization of the United States cigar industry, accompanied by the sharp decline in the consumption of higher-priced cigars which contained large proportions of Havana cigar leaf, was one of the chief factors in the loss of Cuban trade in leaf tobacco. The Spanish market for Cuban cigar leaf, customarily second only to the United States, was seriously curtailed by the civil war in Spain. The Cuban trade in cigars was damaged by adverse economic conditions in Europe and various trade restrictions, as well as by the increasing competition of the cigarette throughout the world. Following labor troubles in Habana, important cigar factories owned by United States interests were closed, and in 1932 a factory was built in New Jersey for the manufacture of Havana cigars. Thereafter, Cuban export trade in cigars declined. This was the second migration of a part of the Cuban tobacco industry to the United States. Much earlier, under the encouragement of the High United States duty on cigars, a clear Havana cigar industry had been established with Cuban workers in Key West and Tampa, Fla.

Table 3. - Leaf tobacco: Exports from BRAZIL to principal markets, in specified years, 1929 to 1938

Exported to -	1929	1932	1936	1937	1938
	Quantity in 1,000 pounds				
Total, all countries	65,588	57,898	68,344	80,688	59,002
Germany	23,592	24,471	35,041	33,408	1/
Netherlands	12,971	9,024	13,475	21,851	
Argentina	13,033	9,940	11,552	11,619	
France	2,690	1,084	838	3,519	
Algeria	1,901	1,418	2,586	2,569	
Belgium	1,643	2,382	1,508	2,290	
Uruguay	5,310	3,727	2,019	2,147	
All other countries	4,448	5,852	1,325	3,285	
	Value in 1,000 milreis				
Total, all countries	61,600	37,064	65,038	87,694	85,518
	Value in 1,000 dollars				
Total, all countries	7,275	2,639	4,252	5,986	4,960
Germany	2,693	1,115	2,263	2,560	1/
Netherlands	1,462	373	730	1,583	
Argentina	1,411	444	713	841	
France	277	44	42	262	
Algeria	214	56	157	166	
Belgium	196	126	99	154	
Uruguay	593	196	139	151	
All other countries	429	285	107	269	
Unit value per pound of total exports 2/	$0.111	$0.046	$0.062	$0.074	$0.084

1/ Not available.

2/ The unit values appearing in this and other tables should be interpreted with caution, especially when comparing the unit values of the exports of one country with those of another. Exports from the different Latin American countries, though of the same commodity, frequently are of different types or grades, Moreover, different methods of valuation are employed by the various countries and some countries have changed their method of valuation during the period 1929-38.

Source: Compiled by the U. S. Tariff Commission from official trade statistics of Brazil. Converted to United States weights and currency by applying the following factors: 1 kilo = 2.2046 lbs.; 1 milreis = 1929, $0.1181; 1932, $0.0712; 1936, $0.06537; 1937, $0.06826; 1938, $0.058.

Table 4. - Leaf tobacco: Exports from CUBA to principal markets, in specified years, 1929 to 1938

Exported to -	1929	1932	1936	1937	1938
	Quantity in 1,000 pounds				
Total, all countries ---	46,693	36,869	23,049	27,379	28,028
UNITED STATES --------	24,768	13,106	12,040	14,288	13,249
Spain ----------------	9,360	13,610	3,509	2,932	6,605
Argentina ------------	4,487	2,144	777	994	1,270
Germany --------------	1,265	1,055	3,231	4,956	3,496
Netherlands ----------	2,872	3,310	558	1,244	920
All other countries --	3,941	3,644	2,934	2,965	2,488
Percentage to the United States -----	53.0	35.5	52.2	52.2	47.3
	Value in 1,000 dollars				
Total, all countries ---	27,247	10,381	9,153	11,217	10,478
UNITED STATES --------	19,971	7,646	6,902	8,634	7,609
Spain ----------------	1,521	739	471	399	899
Argentina ------------	2,814	918	334	455	614
Germany --------------	237	86	489	596	419
Netherlands ----------	630	252	105	192	151
All other countries --	2,074	740	852	941	786
Percentage to the United States -----	73.3	73.7	75.4	77.0	72.6
Unit value per pound of total exports 2/	$0.584	$0.282	$0.397	$0.410	$0.374

1/ One Cuban peso equals one United States dollar (all years).
2/ See footnote 2, table 3.

Source: Compiled by the U. S. Tariff Commission from official trade statistics of Cuba. Converted to United States weights by applying the following factor: 1 kilo = 2.2046 lbs.

Table 5. - Cigars: Exports from CUBA to principal markets, in specified years, 1929 to 1938

Exported to -	1929	1932	1936	1937	1938
	Quantity in 1,000 cigars				
Total, all countries	89,387	28,569	42,054	35,762	32,634
United Kingdom	29,581	13,723	23,258	21,077	17,520
France	5,288	495	1,879	3,440	2,807
UNITED STATES	25,481	2,873	2,960	3,096	2,457
Spain	15,354	8,653	8,513	3,875	4,028
Argentina	2,184	427	492	626	614
Germany	1,601	92	586	565	413
All other countries	9,898	2,306	4,366	3,083	4,795
Percentage to the United States	28.5	10.1	7.0	8.7	7.5
	Value in 1,000 dollars				
Total, all countries	10,262	2,365	4,068	3,655	2,983
United Kingdom	3,390	1,208	2,438	2,250	1,646
France	644	55	223	422	327
UNITED STATES	3,102	302	335	362	275
Spain	1,529	538	568	113	237
Argentina	299	54	60	76	73
Germany	170	10	57	51	39
All other countries	1,128	198	387	381	386
Percentage to the United States	30.2	12.8	8.2	9.9	9.2
Unit value per 1,000 of total exports 2/	$114.80	$82.78	$96.73	$102.20	$91.41

1/ One Cuban peso equals one United States dollar (all years).
2/ See footnote 2, table 3.

Source: Compiled by the U. S. Tariff Commission from official trade statistics of Cuba.

Trade barriers.

The trade in tobacco rivals that in alcoholic beverages in providing for many countries a source of large revenue. Four general methods are used in collecting such revenue: Government tobacco monopolies, internal revenue taxation, import duties, and export taxes. Latin American countries have resorted to all these methods. For example, Peru maintains a government tobacco monopoly, the States of Brazil have imposed export taxes on tobacco, and Argentina collects considerable revenue from the import duties on tobacco and tobacco products. Venezuela and Guatemala maintain a government monopoly of the importation and printing of cigarette paper which it sells to cigarette manufacturers, and thus collects a tax for revenue. The United States imposes duties on imports of raw and manufactured tobacco, and internal revenue taxes on manufactured tobacco of all kinds; imported manufactured tobacco pays both the duties and the internal revenue taxes.

The duties on tobacco in most countries are so high as practically to preclude the entry of competitive tobaccos. In general, only those types of tobaccos which are not produced in a particular country are imported. High duties can be paid on such tobaccos, provided they are essential in the manufacture of certain tobacco products required by consumers.

The United States imports practically no raw or manufactured tobacco from any Latin American country except Cuba. Imports of tobacco into the United States consist chiefly of Cuban cigar leaf tobacco[1] and cigars, Sumatra cigar wrapper tobacco, cigarette tobacco from southeastern Europe, and cigars, with some scrap tobacco, from the Philippines. These imports enter because of the peculiar qualities of the several tobaccos.

Cuba has at all times enjoyed a substantial preference below the tariff rates applicable to imports from other countries. These preferences were further increased for the principal types of tobacco imported from Cuba by the trade agreement effective September 3, 1934. After a temporary lapse, between March 17, 1936 and December 22, 1939, these additional preferences were reinstated by the supplemental agreement with Cuba, effective December 23, 1939. The preferences accorded Cuba, however, are of little significance with respect to competition between Cuban producers and other foreign producers. Apart from the Philippines which supplies cigars and scrap tobacco free of duty, Cuba is practically the sole source of United States imports of cigar leaf filler, scrap tobacco, and cigars. This situation is attributable to the special quality of Cuban tobacco. The Netherlands Indies as well as Cuba are large suppliers of wrapper tobacco, but there is practically no competition between the Cuban and the Sumatra wrappers. The preferences accorded Cuban cigarette leaf tobacco and cigarettes have not resulted in any appreciable importation of such products.

United States-Cuban preferential duties on the principal imports of tobacco from Cuba during the period since the enactment of the Tariff Act of 1930 are shown in table 6.

1/ Including scrap.

Table 6. - United States-Cuban preferential duties on principal imports of tobacco from Cuba

	From June 18,1930 to Sept.2,1934, and from March 17,1936 to Dec.22,1939 (general rates less 20 percent)	From Sept.3,1934 to March 16,1936 and since Dec.23,1939 (trade agreement rates)	General rate, act of 1930
Cigar leaf tobacco -			
Unstemmed	28¢ per lb.	17½¢ per lb. 1/	35¢ per lb.
Stemmed	40¢ per lb.	25¢ per lb. 1/	50¢ per lb.
Scrap	28¢ per lb.	17½¢ per lb. 1/	35¢ per lb.
Cigars	$3.60 lb. + 20% ad val.	$2.25 lb. + 12½% ad val.	$4.50 lb. + 25% ad val.
Wrapper tobacco	2/		$2.27½ per lb.

1/ Combined imports of filler and scrap subject to quota limitations.

2/ The rate on wrapper tobacco under the Tariff Act of 1930 is $2.27½ per pound. This was reduced by the trade agreement with the Netherlands to $1.50 per pound, effective July 1, 1936. The Cuban preference below these rates was and is 20 percent; it was not affected by the trade agreement of 1934 and the rate $1.20 per pound was bound in the supplemental agreement, effective Dec. 23, 1939. Cuba supplies considerable quantities of wrapper tobacco.

Prices and competitive conditions.

The average prices of United States flue-cured tobacco and the average unit values of selected imported tobaccos for the period 1929-39 are shown in table 7. The types of tobacco shown in the table are not competitive. United States flue-cured tobacco is used chiefly in the manufacture of cigarette and smoking tobaccos. The imported cigarette tobacco is higher priced than most cigarette tobacco produced in the United States and is used together with United States tobaccos in the production of special blends. The cigar-filler tobacco imported from Cuba is higher priced than United States filler and supplements the United States product in the manufacture of blended cigars.[1] The cigar wrapper imported from Sumatra is also higher priced than United States shade-grown wrapper tobacco; it is used chiefly in the manufacture of expensive cigars.

The prices or unit values of these tobaccos were high in 1929, declined until 1932-33, and rose thereafter, reaching a peak in 1937-38. In fact, the average prices of United States flue-cured tobacco, influenced by the agricultural adjustment program, were higher in the years 1936-38 than they were in 1929, and the average unit value of imported Sumatra wrapper was higher in 1938 than in 1929. Although the average unit value of unstemmed cigar-filler tobacco from Cuba advanced somewhat in 1934 and 1935, it was appreciably lower in 1937 than in any other year in the period 1929-39. All data relating to values show a decline in 1939 as compared with 1938. This may be attributed in part to the dislocation of markets and to the reduction in European demand following the outbreak of war.

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[1] Published prices of cured domestic cigar-filler tobacco are not available, inasmuch as such tobacco is sold at auction and the price at any given time varies in accordance with the size and quality of the lots offered for sale. The values of raw domestic cigar-filler tobacco on the farm are not comparable with the unit value of the cured cigar-filler tobacco imported from Cuba. The unit values of the cured Cuban product (duty-unpaid), however, are known to be appreciably higher than the prices for the cured domestic product.

Table 7. - Tobacco: Average annual prices of flue-cured tobacco, compared with average annual unit values of imports of unstemmed cigar filler tobacco, Sumatra wrapper tobacco, and cigarette tobacco, in crop years, 1929-39 1/

(Per pound)

Year	Average price of United States flue-cured	Average unit values of selected imported tobaccos		
		Unstemmed cigar filler from Cuba	Sumatra cigar wrapper	Cigarette tobacco
1929	$0.182	$0.75	$1.92	$0.57
1930	.120	.73	1.66	.56
1931	.085	.62	1.50	.53
1932	.116	.55	1.24	.44
1933	.153	.45	1.48	.40
1934	.273	.47	1.92	.35
1935	.200	.48	2.09	.31
1936	.222	.49	2.12	.33
1937	.230	.32	1.82	.42
1938	.222	.58	2.26	.50
1939	2/ .151	.54	1.53	.49

1/ Years beginning July 1.

2/ July 1939-February 1940. From Tobacco Market Review, U. S. Department of Agriculture.

Source: Domestic data from Agricultural Statistics, U. S. Department of Agriculture; data on imports from official statistics of the U. S. Department of Commerce.

Effects of the European War.

Europe (except the Soviet Union) is dependent upon imports from countries outside the continent for somewhat more than half of its supply of tobacco. It is dependent upon the Western Hemisphere for one-fourth to one-third of its supply. The United States is the principal source of European imports, and in 1937 furnished about 80 percent of such imports from the Western Hemisphere. Brazil and Cuba are the only other important suppliers in the Western Hemisphere.

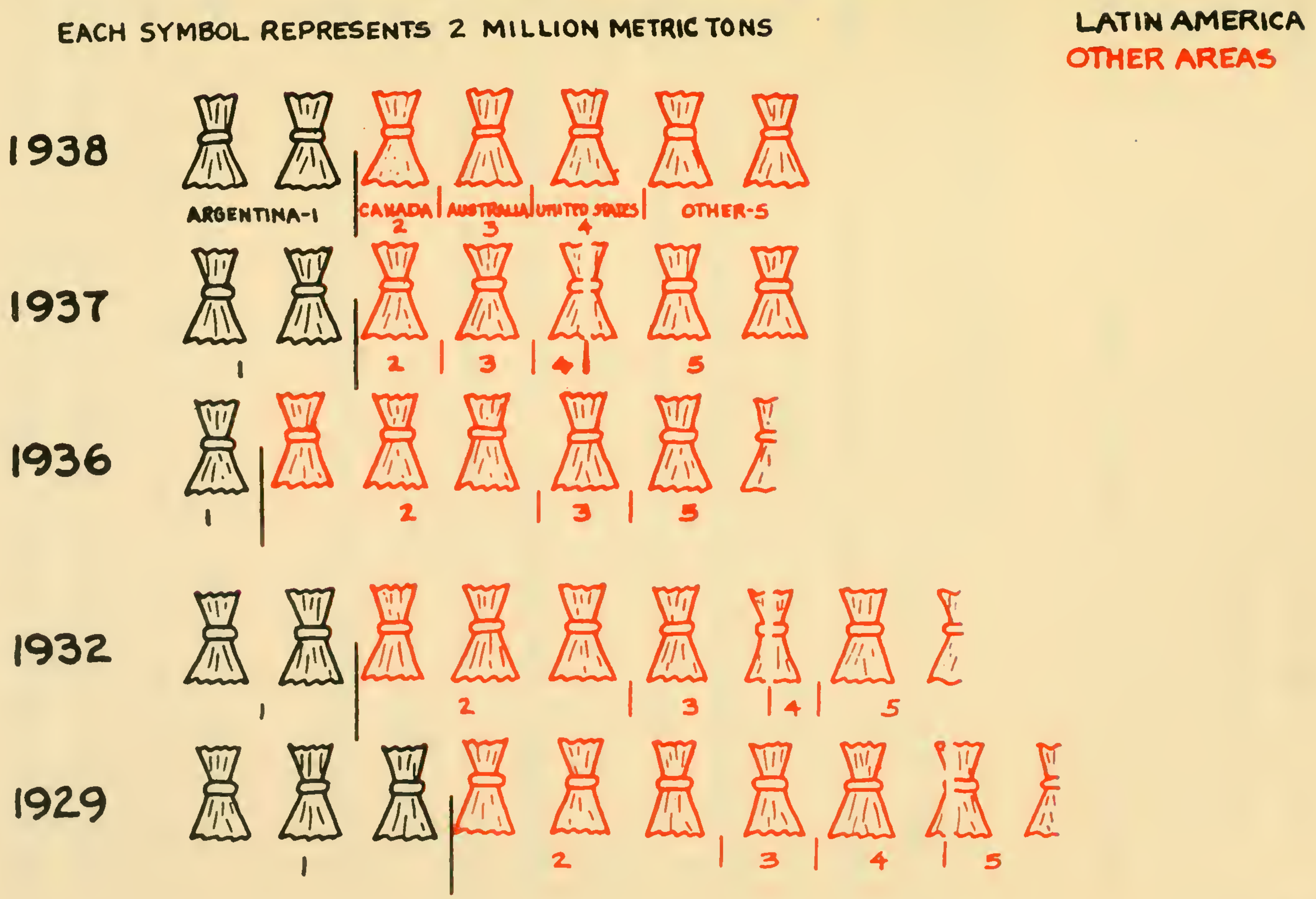
Despite the "essential" character of tobacco, European purchases of this product have been curtailed since the war began. Because of the importance of European markets, continuance of the war in Europe, with its attendant disruption of ordinary channels of trade, necessarily will affect seriously the tobacco industries in the tobacco-exporting countries of Latin America and elsewhere.

The leaders in this Latin American trade, Cuba and Brazil, will probably suffer severe losses. In this respect, however, Cuba is somewhat more favorably situated than Brazil, since more than three-fourths of the value of Cuban exports of leaf tobacco ordinarily go to the United States and other American countries. Germany and the Netherlands usually have been the most important destinations for exports of Brazilian tobacco; in 1937 they took nearly 70 percent of the total value of such exports to all countries. Most of this trade will probably cease, since it will be more desirable for Germany, from both an economic and a political standpoint, to obtain its essential supplies of tobacco from other countries such as Bulgaria, Greece, Turkey, the Soviet Union, and Italy.

Germany and the Netherlands have also been among the important European destinations for exports of Cuban leaf tobacco. Cuba is likely, however, to sustain a greater loss through a reduction in its exports of cigars. More than half of the value of this luxury product ordinarily goes to the United Kingdom. In 1936 the value of exports of Cuban cigars to the United Kingdom amounted to about 2.5 million dollars, and in 1938, to 1.6 million dollars. The greater part of this trade will likely be lost to Cuba throughout the period of the war. There is little reason to expect that United States imports from Cuba will be increased sufficiently to offset the losses sustained in other markets.

WHEAT

WHEAT
WORLD EXPORTS
1929, 1932, 1936-1938



U.S. TARIFF COMMISSION, 1940.

Wheat and Wheat Products

Hard, soft, and durum varieties are recognized as the three principal types of wheat. Hard wheat is preferred for bread flours, soft wheat for pastery, biscuits, and crackers, and durum, a very hard variety of wheat with a high gluten content, for macaroni, vermicelli, noodles, and similar products. In addition to its use for flour, wheat is also employed in the manufacture of breakfast foods, and, to some extent, in the making of starch. The low grades of wheat and the byproducts of the flour milling industry are used for livestock feed.

Position of Latin America in world production.

The annual world production of wheat (exclusive of production in the Soviet Union and in China) has ranged between a low of 3,143 million bushels in 1924 and a high point of 4,559 million bushels in 1938. Fluctuations in the annual volume of wheat consumed, however, have been much smaller than the fluctuations in production. The lowest annual disappearance was 3,293 million bushels in 1924 and the highest 3,950 million bushels in 1931. Because of the inelasticity in world consumption as compared with world production, a considerable proportion of the world's harvest in recent years has been carried over in storage, thus increasing the total supply available for consumption.

Production of wheat in Latin America has averaged about 300 million bushels annually in recent years; in 1938 production amounted to 395 million bushels of which 85 percent was produced in Argentina, 7.5 percent in Chile, 4 percent in Uruguay, and 3.5 percent in Mexico.

Latin American production of wheat is greater than that in Canada, double that in Australia, and about 40 percent of that in the United States. About 8 percent of world production of wheat [1/] is accounted for by Latin America; in 1938 Argentina alone supplied more than 7 percent. Production in Argentina ranged from 163 to 336 million bushels in the 10-year period ended 1938 (see table 1).

The Argentine wheat harvest of December-January, 1939-40, is estimated at only 118 million bushels. The carry-over from the previous year was about 67 million bushels. Allowing 100 million bushels for domestic requirements, the surplus for export and carry-over in the current year is estimated to be 85 million bushels, a quantity somewhat larger than exports in 1938 but very much smaller than exports in 1937, and in most other years. Moreover, a part of the 1939 crop is reported to be inferior in quality.[2/] Shipments of wheat from Argentina for the period July-December 1939, however were substantially above those for the same period in other recent years. This increase is probably accounted for in part by the price policy of the Argentine Grain Regulating Board, the political objectives of foreign purchasers, and improved transportation facilities. The total amount still available for export on March 1, 1940, is reported to be about 58 million bushels, including the wheat of low-test weight.

[1/] Exclusive of the Soviet Union and China.

[2/] Wheat in the Pampas territory of the Province of Buenos Aires was severely damaged by frost in early December 1939 and in other areas considerable damage was done by excessive rains. It is estimated that about 13 million bushels of the wheat harvested is below test weight for marketable grain.

Table 1.- Wheat: World production by principal countries in specified crop years, 1929 to 1938

(Quantity in 1,000 bushels of 60 pounds each)

Country	1929	1932	1936	1937	1938 [1]
Argentina	162,576	240,889	249,193	184,801	336,201
Chile	33,529	26,114	28,607	30,394	[2]
Uruguay	13,157	5,407	9,246	16,575	15,288
Mexico	11,333	9,658	13,606	10,587	13,425
Total - principal Latin American countries	220,595	282,068	300,652	242,357	[3] 364,914
UNITED STATES	812,573	745,788	626,766	875,676	930,801
Canada	304,520	443,061	219,218	180,210	350,010
Soviet Union	[4] 693,634	744,052	[2]	[2]	[2]
France	337,252	333,524	254,618	257,838	345,386
Italy	260,125	276,922	224,570	296,282	297,319
Germany	123,062	183,830	[5] 162,660	[5] 164,120	[5] 204,954
Rumania	99,753	55,537	128,717	138,158	181,511
Spain	154,245	184,207	121,492	110,200	95,500
India	320,731	336,896	351,680	364,075	402,453
Turkey	99,900	71,135	141,582	132,985	160,424
Australia	126,885	213,927	151,390	188,018	145,000
All other countries [6]	701,359	684,105	894,655	905,081	1,080,728
Total world production [6]	3,561,000	3,811,000	3,578,000	3,855,000	4,559,000
	Percent of world total				
Latin American countries listed above	6.2	7.4	8.4	6.3	[3] 8.0

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[1] Preliminary.

[2] Not shown.

[3] Excludes Chile.

[4] European territory only.

[5] Includes the Saar and is, therefore, not strictly comparable with data for previous years.

[6] Estimated, excluding the Soviet Union and China.

Source: U. S. Agricultural Yearbook.

Argentina is the only country in Latin America in which wheat growing is an important farm enterprise and in which the major part of the production is exported. The other countries grow wheat only for their own use and are distinctly on an import basis. Brazil is encouraging the production of wheat through experimental research and government regulation, but the Southeastern States of that country import a large part of their requirements from Argentina; the wheat is processed in those states in mills largely controlled by Argentine capital. Most of the byproducts of milling are exported. The northeastern part of Brazil - the Pernambuco district - imports flour chiefly from the United States.

The wheat region of Argentina is in the provinces of Cordoba, western and southern Buenos Aires, and the northwestern part of La Pampa. This crop also enters into systems of mixed farming in the Province of Santa Fe. While the amount of rainfall is about 40 inches annually in the corn and flax region, wheat is the principal farm crop in areas of 15 to 20 inches of precipitation, particularly in the cooler regions in the Southwest.

There are three types or classes of wheat grown in Argentina: hard, semi-hard, and soft. The first two classes are exported. In the past exports of Argentine wheat were not carefully graded; consequently importers were unable to depend on its hardness and milling qualities. The Argentine Government, therefore, has issued regulations prohibiting the export of certain soft varieties of the cereal.

Latin American exports.

Total world exports of wheat declined from about 800 million bushels annually in the period 1925-29 to 500 million bushels in 1936 and 560 million bushels in 1938. Europe is the largest deficit area for wheat, and the principal world movement of that product is from surplus-producing countries of other continents to European markets, though there is a considerable movement from eastern to western Europe. The principal exporting countries are Canada, the United States, Argentina, and Australia; the combined exports from these sources usually represent about three-fourths of all wheat entering world trade. Other exporting countries are the Soviet Union, Rumania, Yugoslavia, Hungary, and Poland. Total exports from these European countries usually fluctuate between 50 and 100 million bushels, depending chiefly upon the variable exports from the Soviet Union. The United Kingdom generally imports about 200 million bushels annually, or approximately one-third of all wheat entering international trade. Other important importing countries in Europe have been Germany, Italy, Belgium, and the Netherlands.

Argentine exports of wheat have fluctuated greatly during the period 1929-38; the general trend, however, was downward. In 1929 Argentina exported 243 million bushels; in 1936, 59 million; in 1937, 143 million, and in 1938, 71 million (see table 2). The percentage of world trade supplied by Argentina also declined from the peak of 35 percent attained in 1929; in 1936 it was 12 percent; in 1937, 28 percent, and in 1938, 13 percent.

In 1938 Brazil ranked first as a market for Argentine wheat and the United Kingdom second; other important markets were Germany, Belgium, the Netherlands, and Peru (see table 4). Exports to the United States have been negligible except in 1937.[1]

Argentine exports of wheat flour have also declined since 1929 when they amounted to 1,541 thousand barrels.[2] In recent years, however, exports have been fairly steady; they amounted to 897 thousand barrels in 1936, 1,071 thousand in 1937, and 945 thousand in 1938 (see table 3). Argentina has supplied only a small proportion of the export trade of the world in wheat flour; in the period 1929-38, the percentage ranged from 2 to 4 percent of the total. The United Kingdom was the largest market for Argentine wheat flour in 1938, and Brazil was a close second. Paraguay, Bolivia, Chile, the Netherlands, and Italy also were important purchasers (see table 5). Including wheat flour in terms of wheat, about 50 percent of Argentine exports of wheat and wheat flour in 1938 was shipped to Brazil, and 15 percent was shipped to the United Kingdom.

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[1] In 1937 exports to the United States amounted to 740 thousand bushels, or about one-half of 1 percent of total Argentine exports in that year. Although exports of wheat from Argentina to the United States are indicated for each year, United States statistics report no imports of wheat for consumption except in 1936 and 1937, and no imports were reported for wheat flour. This may be accounted for by a change in destination en route, or because the wheat may have been entered in-transit and reexported from the United States.

[2] Each barrel weighs 196 pounds.

About 70 percent of the byproducts of wheat (bran and shorts) exported from Argentina in 1938 was purchased by the United Kingdom, and about 15 percent by Sweden and Belgium combined (see table 6). Exports of these products from Argentina to the United States constituted less than 5 percent of the total. Exports of "bran of all kinds" from Brazil amounted to 193 thousand short tons in 1938 (see table 7). Thirty-three percent of these products were exported to Germany in 1936. Distribution of these exports from Brazil for 1937 and 1938 is not available.

Table 2. - Wheat: Exports from ARGENTINA and from other principal exporting countries of the world, in specified years, 1929 to 1938

Country	1929	1932	1936	1937	1938
	Quantity in 1,000 bushels of 60 pounds				
Argentina	242,996	126,466	59,171	142,829	71,295
Canada	210,947	228,221	243,043	96,009	114,179
Australia	74,964	123,735	71,049	74,403	94,041
UNITED STATES	90,130	54,880	1,879	34,849	86,902
Soviet Union	1/	20,243	2,129	31,075	46,880
Rumania	308	3,781	22,439	36,753	32,416
Hungary	17,857	5,288	20,964	13,148	16,024
India	530	106	7,222	17,097	11,896
Belgium and Luxemburg	1,164	4,103	1,898	5,392	5,007
Yugoslavia	20,356	4,889	10,795	11,686	4,057
French Morocco	4,674	6,962	3,016	1,733	4,184
Bulgaria	123	6,354	4,569	7,109	4,020
All other countries	36,194	53,450	53,924	38,543	68,194
Total world exports	700,243	638,478	502,098	510,626	559,095
	Percent of world exports				
Argentina	34.7	19.8	11.8	28.0	12.8

1/ Not over 500 bushels.

Source: Compiled by the U. S. Tariff Commission from International Yearbook of Agricultural Statistics. United States and the Soviet Union compiled from official statistics in 1938. Converted to U. S. measure by the following factor: 1 quintal = 3.674333 bushels of 60 pounds.

Table 3. - Wheat flour: Exports from ARGENTINA and from other principal exporting countries of the world, in specified years, 1929 to 1938

Country	1929	1932	1936	1937	1938
	Quantity in 1,000 barrels of 196 pounds				
Argentina	1,541	652	897	1,071	945
Australia	5,553	6,275	5,705	5,796	6,925
UNITED STATES 1/	13,663	5,795	3,660	4,453	5,213
Canada	9,574	5,132	4,850	4,087	3,912
Japan	2,067	2,494	1,461	1,811	3,212
United Kingdom	2,469	2,735	1,344	892	1,204
Italy	744	1,573	1,706	1,871	1,125
France	23	1,659	1,495	1,305	933
All other countries	7,115	5,602	6,431	5,889	5,920
Total world exports	42,749	31,917	27,549	27,175	29,389
	Percent of world exports				
Argentina	3.6	2.0	3.3	3.9	3.2

1/ Includes flour milled in bond from foreign wheat or in part from foreign wheat.

Source: Compiled by the U. S. Tariff Commission from International Yearbook of Agricultural Statistics. Converted to U. S. measure by the following factor: 1 quintal = 1.124796 barrels of 196 pounds.

Table 4. - Wheat: Exports from ARGENTINA to principal markets, in specified years, 1929 to 1938

Exported to -	1929	1932	1936	1937	1938
	Quantity in 1,000 bushels of 60 pounds				
Total, all countries	242,996	126,466	59,171	142,829	71,295
Brazil	25,766	10,446	32,116	33,486	36,861
United Kingdom	81,557	37,280	5,901	25,219	10,420
Germany	14,164	4,027	1,912	5,738	4,744
Belgium	33,406	21,158	5,338	14,104	5,137
Netherlands	27,111	12,045	2,508	15,502	3,483
Peru	1,849	1,302	3,952	3,463	4,268
Denmark	1,433	2,397	572	917	998
Italy	18,998	10,995	3,318	26,610	461
France	17,541	14,975	181	1,514	251
All other countries	1/21,171	1/11,841	3,373	1/16,276	4,672
	Value in 1,000 paper pesos				
Total, all countries	631,755	226,060	170,043	475,541	183,410
	Value in 1,000 U. S. dollars 2/				
Total, all countries	264,435	58,128	49,618	146,752	54,528
Brazil	28,304	4,599	26,703	36,285	26,028
United Kingdom	90,978	17,198	5,093	24,700	9,017
Germany	15,257	1,899	1,542	6,171	4,372
Belgium	36,287	9,675	4,574	14,119	3,979
Netherlands	29,169	5,600	2,154	15,653	3,090
Peru	2,062	589	3,299	3,742	3,018
Denmark	1,594	1,110	469	928	811
Italy	19,926	5,030	2,837	27,117	366
France	18,418	6,930	145	1,467	181
All other countries	1/22,440	1/ 5,498	2,802	1/16,570	3,666
Unit value per bushel of total exports	$1.09	$0.46	$0.84	$1.03	$0.76

1/ Includes exports to Spain of 9,516,450 bushels valued at $9,779,995 in 1929 and 4,325,388 bushels valued at $2,056,862 in 1932. In 1937 exports to Greece amounted to 7,132,138 bushels valued at $7,127,668.

2/ For 1929-32, the U.S. dollar value has been converted from the gold peso value. One gold peso is equal to 2.272727 paper pesos. The conversion rates for the gold peso are as follows: 1929, $0.9513; 1932, $0.5844.

Source: Compiled by the U. S. Tariff Commission from official trade statistics of Argentina. Converted to U. S. measures and currency by applying the following factors: 1 metric ton = 36.743333 bushels of 60 pounds; 1 peso = 1929, $0.4186; 1932, $0.2571; 1936, $0.2918; 1937, $0.3086; 1938, $0.2973.

Table 5. - Wheat flour: Exports from ARGENTINA to principal markets, in specified years, 1929 to 1938

Exported to -	1929	1932	1936	1937	1938
	Quantity in 1,000 barrels of 196 pounds				
Total, all countries	1,541	652	897	1,071	945
United Kingdom	404	273	162	234	248
Brazil	810	36	333	347	246
Paraguay	67	50	138	200	193
Bolivia	32	30	40	74	84
Chile	14	33	6	58	45
Italy	-	4	41	47	36
Netherlands	4	3	7	20	36
Spanish Africa 1/	99	195	51	-	-
All other countries	111	28	119	91	57
	Value in 1,000 paper pesos 2/				
Total, all countries	17,748	5,858	11,610	16,608	10,225
	Value in 1,000 U. S. dollars				
Total, all countries	7,429	1,506	3,388	5,125	3,040
United Kingdom	1,955	635	615	1,121	800
Brazil	3,901	81	1,255	1,668	795
Paraguay	321	116	519	955	647
Bolivia	155	70	151	350	280
Chile	68	74	21	287	136
Italy	-	9	156	222	114
Netherlands	21	8	28	98	105
Spanish Africa 1/	485	450	191	-	-
All other countries	523	63	452	424	163
Unit value per barrel of total exports	$4.82	$2.31	$3.78	$4.79	$3.22

1/ Classified as "Spanish possessions" in 1929 and 1932.

2/ For 1929-32, the United States dollar value has been converted from the gold peso value. One gold peso is equal to 2.272727 paper pesos. The conversion rates for the gold peso are as follows: 1929, $0.9513; 1932, $0.5844.

Source: Compiled by the U. S. Tariff Commission from official trade statistics of Argentina. Converted to United States measures and currency by applying the following factors: 1 metric ton = 11.247959 barrels of 196 pounds; 1 peso = 1929, $0.4186; 1932, $0.2571; 1936, $0.2918; 1937, $0.3086; 1938, $0.2973.

Table 6. - Bran, shorts, and middlings of wheat: Exports from ARGENTINA to principal markets, in specified years, 1929 to 1938

Exported to -	1929	1932	1936	1937	1938
	Quantity in short tons				
Total, all countries	274,757	319,529	340,377	291,781	312,748
United Kingdom	88,797	205,576	247,138	215,104	226,760
Sweden	22,812	20,123	8,206	13,006	25,608
Belgium	38,393	29,028	29,435	10,898	22,963
Netherlands	13,325	5,382	3,402	4,396	7,769
Denmark	9,687	14,362	19,202	16,541	7,663
Norway	4,785	11,787	1,944	6,299	8,064
Germany	79,659	9,185	6,929	1,840	4,012
Finland	567	2,281	5,925	2,714	1,711
UNITED STATES	1,813	646	9,820	19,237	1
All other countries	14,919	21,159	8,376	1,746	8,197
Percentage to the United States	0.7	0.2	2.9	6.6	1/
	Value in 1,000 paper pesos				
Total, all countries	13,987	12,835	15,989	16,842	15,904
	Value in 1,000 U.S. dollars 2/				
Total, all countries	5,855	3,300	4,666	5,197	4,724
United Kingdom	1,860	2,113	3,393	3,832	3,459
Sweden	485	209	110	230	378
Belgium	825	294	399	198	345
Netherlands	290	55	45	73	120
Denmark	207	152	272	293	114
Norway	106	122	26	114	105
Germany	1,714	98	86	33	61
Finland	12	24	75	48	26
UNITED STATES	38	7	147	340	3/
All other countries	318	221	113	31	120
Percentage to the United States	0.6	0.2	3.1	6.5	1/
Unit value per ton of total exports	$21.31	$10.33	$13.71	$17.81	$15.12

1/ Less than one-tenth of 1 percent.

2/ For 1929-32, the U. S. dollar value has been converted from the gold peso value. One gold peso is equal to 2.272727 paper pesos. The conversion rates for the gold peso are as follows: 1929, $0.9513; 1932, $0.5844.

3/ Not over $500.

Source: Compiled by the U. S. Tariff Commission from official trade statistics of Argentina. Converted to United States weights and currency by applying the following factors: 1 metric ton = 1.1023 short tons; 1 peso = 1929, $0.4186; 1932, $0.2571; 1936, $0.2918; 1937, $0.3086; 1938, $0.2973.

Table 7. - Bran of all kinds:[1] Exports from BRAZIL to principal markets, in specified years, 1929 to 1938

Exported to -	1929	1932	1936	1937	1938
	Quantity in short tons				
Total, all countries	93,290	90,625	145,372	171,522	193,002
Germany	79,835	22,729	47,955	91,222	
UNITED STATES	-	451	25,169	22,796	
Belgium	5,465	30,841	22,645	22,819	
United Kingdom	6,275	23,190	32,515	20,848	2/
Netherlands	596	5,303	4,405	6,194	
Norway	-	981	5,062	3,195	
Denmark	-	3,177	2,112	307	
France	1	2,264	4,582	2/	
All other countries	1,118	1,689	927	3/ 4,141	
Percentage to the United States	-	0.5	17.3	13.3	
	Value in 1,000 milreis				
Total, all countries	19,146	16,550	31,932	46,018	54,702
	Value in 1,000 U. S. dollars				
Total, all countries	2,261	1,178	2,087	3,141	3,173
Germany	1,922	299	671	1,623	
UNITED STATES	-	5	350	445	
Belgium	144	400	346	428	
United Kingdom	159	299	448	385	2/
Netherlands	13	71	57	102	
Norway	-	15	108	76	
Denmark	-	39	38	6	
France	4/	29	56	2/	
All other countries	23	21	13	3/ 76	
Percentage to the United States	-	0.4	16.8	14.2	
Unit value per ton of total exports	$24.24	$13.00	$14.36	$18.31	$16.44

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[1] Principally wheat bran, the total exports of which amounted to:

Year	Short tons	Values (1,000 U.S. dollars)	Percent of total Quantity	Percent of total Value
1929	74,862	1,661	80	73
1932	82,751	1,061	91	90
1936	122,679	1,663	84	80
1937	152,154	2,737	89	87
1938		Not available		

2/ Not reported separately.

3/ May include negligible exports to countries listed above, since certain types of bran are not allocated by markets.

4/ Not over $500.

Source: Compiled by the U. S. Tariff Commission from official trade statistics of Brazil. Converted to United States weights and currency by applying the following factors: 1 kilo = .0011023 short tons; 1 milreis = 1929, $0.1181; 1932, $0.0712; 1936, $0.06537; 1937, $0.06826; 1938, $0.0580

Trade barriers, competitive conditions, and prices.

In the reorganization of agriculture which took place following the World War of 1914-18, practically every European country encouraged the production of wheat within its own borders through various types of governmental aid; they also placed increased restrictions on imports of foreign wheat and flour. Most of the principal exporting countries have also directly or indirectly subsidized their production and export of the cereal.

Import restrictions generally take the form of high tariffs and quota and milling restrictions 1/ such as those prevailing in France, Germany, and Italy. The United Kingdom alone, among the important European countries, admits wheat free of duty,2/ but even in that country the domestic wheat producer is subsidized and supported by milling restrictions; moreover, imports have been subject to licenses and strict governmental control since the outbreak of the European war in September 1939.

Wheat imported into the United States is dutiable at 42 cents per bushel of 60 pounds, and wheat flour at $1.04 per 100 pounds. 3/

1/ Milling restrictions customarily require that a stipulated proportion of domestic wheat be used in the milling of flour.

2/ For some years prior to Jan. 1, 1939, wheat entering the United Kingdom from foreign countries was subject to a duty of 2 shillings per quarter of 480 pounds, whereas wheat from Empire countries was admitted free of duty. As a result of the United States-United Kingdom agreement, this preference was removed and wheat from all sources was made free of duty.

3/ Tariff Act of 1930, par. 729.

Wheat, unfit for human consumption, and bran, shorts, and byproduct feeds obtained in milling wheat, pay a duty of 5 percent ad valorem.[1] For some time exports of wheat from the United States, especially from the Pacific coast, have been subsidized.

The production of all classes of wheat in the United States in 1938 was 931 million bushels, of which 63 percent consisted of hard spring and hard winter varieties. About 9 percent of production was exported and 51 percent was milled for flour; there was a large carry-over. Inasmuch as the United States is usually a large exporter of wheat, its imports of that commodity are customarily very small. Only in a few recent seasons of limited domestic production have imports for consumption of wheat fit for human food been substantial. Imports which enter the United States (nearly all from Canada) usually consist of insignificant quantities of very hard varieties of wheat unfit for human consumption (used for feed), and of wheat imported in bond for milling and export.

Even in 1936 when this country imported for consumption 34 million bushels of wheat fit for human food, only 95 thousand bushels came from Argentina. Fourteen thousand bushels of wheat unfit for human consumption were also imported during that year. For most other years in the period 1929-38, no wheat entered from Argentina, and no wheat flour has been imported into the United States from Argentina since 1928.

1/ Tariff Act of 1930, pars. 729 and 730, as modified by the second trade agreement with Canada, effective Jan. 1, 1939. Prior to this agreement the rate had been 10 percent ad valorem.

Only negligible quantities of wheat or flour have been exported from the United States to Argentina in recent years. Under ordinary conditions, hard and semi-hard wheats are the principal types exported from Argentina; the United States is also an exporter of these types. There is often competition between United States and Argentine wheat in certain European countries where there has been an increasing demand for the hard varieties to blend with the soft varieties which they produce.

Increasing trade barriers, greater production, and mounting stocks of wheat, coupled with general adverse economic conditions, caused a decline in world prices on the free market in the early 1930's to the lowest level in the century. As a result. extensive government programs were developed for the control of prices in many wheat-producing and wheat-consuming countries. These programs affecting the importation, exportation, and production of wheat have included increased tariffs, mixing regulations, quota controls, exchange controls, clearing and barter agreements, price fixing, export subsidies, and the restriction and subsidization of production. Different countries have employed different devices, and there has developed a wide disparity in wheat prices throughout the world. The average price for wheat in the United States in the crop year 1936-37 was $1.17 per bushel; in Argentina it was $1.06; in the United Kingdom, $1.20; in France, $1.91; in Italy, $1.95; and in Germany, $2.24 (see tables 8 and 9).

In the crop year 1929-30 the average price in the United States of No. 2 hard winter wheat was $1.30 per bushel; in the crop year 1932-33, it was only $0.54 per bushel. Thereafter the price rose, being affected by droughts and by the Government's agricultural policy, and reached $1.18 per bushel in 1937-38. In the following crop year, the price declined sharply but advanced after the declaration of the European war to $1.06 in March 1940.

Prices in Argentina followed a trend similar to that in the United States, as did prices in the United Kingdom, but the recovery of prices in these two countries occurred at a later date than in the United States. Moreover, prices in Argentina did not rise sharply after the European war began. French prices in the period 1928-39 reached a high point ($2.12 per bushel) in the crop year 1933-34. Prices in Germany were quoted at more than $2.20 per bushel in 1934-35 and did not decline from that high level. Italian prices were also high throughout the period 1934-39. In fact, wheat prices in Germany and Italy were higher in the crop year 1938-39 than in 1928-29.

Prices in Hungary, Yugoslavia, and Rumania, wheat-exporting countries of Central Europe, recorded trends somewhat similar to that in the United Kingdom; in certain years, however, trends in the last two countries deviated sharply from that of world prices as recorded by the unit values of imports into the United Kingdom. All three countries experienced lower prices in 1938-39 than in the previous year (see table 9). In most years, prices in these central European countries have approximated those in the United Kingdom, but were considerably less than prices prevailing in France, Italy, and Germany where special efforts have been made to encourage the domestic production of wheat.

Table 8. - Wheat: Prices at Chicago and Buenos Aires

(Per bushel)

Year beginning July	No. 2 Hard Winter at Chicago	No. 2 Semi-Hard at Buenos Aires	Ratio of Argentine price to price in United States
			Percent
1928-29	$1.17	$1.15	98.3
1929-30	1.30	1.17	90.0
1930-31	.84	.66	78.6
1931-32	.53	.47	88.7
1932-33	.53	.44	83.0
1933-34	.94	.56	59.6
1934-35	1.02	.61	59.8
1935-36	1.04	.82	78.4
1936-37	1.17	1.06	90.6
1937-38	1.18	1.12	94.9
1938-39	.70	.61	87.1
1939-			
July	.68	.59	86.8
August	.67	.59	88.1
September	.88	.53	60.2
October	.85	.50	58.8
November	.90	.50	55.6
December	.99	.62	62.6
1940-			
January	1.04	.63	60.6
February	1.05	.58	55.2
March	1.06	.60	56.6

Source: U. S. Agricultural Statistics, 1939, and monthly from Bureau of Agricultural Economics.

Table 9. - Wheat: Prices of imported and of domestic wheat in Europe, 1928-29 to 1938-39

(In U. S. cents per bushel)1/

Year (August-July)	Prices of imported wheats in United Kingdom					
	All imports 2/	British parcels 3/	No. 1 Manitoba 4/	No. 3 Manitoba 4/	Argentine Rosafé 4/	Australian 4/
1928-29	132	129	147	138	128	140
1929-30	130	127	143	137	122	133
1930-31	79	76	82	77	72	78
1931-32	57	59	68	62	56	61
1932-33	56	56	61	58	56	58
1933-34	68	69	83	77	67	71
1934-35	77	80	97	88	75	79
1935-36	88	91	101	95	5/ 94	93
1936-37	126	129	142	136	129	133
1937-38	126	122	155	136	125	117
1938-39	69	68	82	75	67	70

Year (August-July)	Prices of domestic wheats						
	United Kingdom 6/	France (Paris) 7/	Germany (Berlin) 8/	Italy (Milan) 9/	Hungary (Budapest) 10/	Yugoslavia (Novisad) 11/	Rumania 11/ (Braila) 5/
1928-29	127	167	142	187	118	-	-
1929-30	120	147	165	187	109	-	-
1930-31	81	184	168	156	72	5/ 79	55
1931-32	61	172	152	149	59	77	49
1932-33	56	124	135	151	70	77	77
1933-34	64	212	191	189	77	64	100
1934-35	66	165	222	220	12/	77	118
1935-36	81	159	225	249	12/	95	97
1936-37	120	191	224	195	103	102	97
1937-38	112	164	224	200	117	118	104
1938-39	60	152	225	212	13/ 111	13/ 96	13/ 81

1/ Basic data partly from official sources and partly from trade journals. Annual averages are arithmetic averages of monthly data. Conversions of foreign prices at par when exchanges were near par, otherwise at current exchange rates.

2/ Based on data from Accounts and Papers Relating to Trade and Navigation of the United Kingdom; declared values of all imported wheat divided by quantities imported.

3/ Based on data from London Grain, Seed, and Oil Reporter; averages of all sales of wheat parcels (exclusive of French denatured wheat in March-May 1935) on British markets.

4/ Based on data from Corn Trade News; averages of Tuesday quotations of parcels afloat or for early shipment, mainly to Liverpool. Argentine prices from Nov. 17, 1932, through December 1938, include the duty of 2 shillings per quarter (4-6 cents per bushel). Australian prices from 1931-32 are averages of low quotations.

5/ Prices missing for some weeks.

6/ Averages of weekly Gazette prices from the official Agricultural Market Report.

7/ Averages of daily prices (marché libre) from Bulletin des Halles. Fixed prices from August 1936.

8/ Based on data from Wirtschaft und Statistik. Minimum or fixed prices to producers from October 1933.

9/ Based on data from International Institute of Agriculture, Yearbook of Agricultural Statistics and Monthly Crop Report and Agricultural Statistics. Prices are for soft wheat. Fixed prices from August 1936.

10/ Prices of Tisza wheat through 1929-30 from Bulletin statistique mensuel hongrois, thereafter from U. S. Department of Agriculture.

11/ Data from U. S. Department of Agriculture.

12/ Because of the nominal character of exchange quotations, conversion to U. S. cents is unsatisfactory.

13/ Average for 7 months.

Effects of the European war.

Exports of wheat from the Western Hemisphere to Europe customarily range from 300 to 400 million bushels, the equivalent of about 20 percent of European consumption.

The proportion of Argentine exports of wheat and wheat products customarily shipped to Latin American countries approximates 60 percent. These markets are not likely to be adversely affected by the European war, except insofar as it reacts upon the general purchasing power of the Latin American countries. The European market, however, which customarily takes about 40 percent of Argentine exports, has been severely disrupted by the war.

Imports of Argentine wheat into continental European countries are likely to be severely restricted for the duration of the war. Moreover, the United Kingdom may reduce its purchases of Argentine wheat in favor of wheat from Empire countries. Should such a diversion of trade occur, Argentina may be able to supply some of the markets, other than the United Kingdom, formerly supplied by Canada and Australia.

The problem with respect to wheat flour is similar to that associated with wheat. Exports of bran may be affected more seriously than those of wheat or wheat flour, inasmuch as the markets for bran are almost entirely European.

WOODS

Woods

The classifications of "timber and wood" as used in the trade statistics of various countries cover a wide range of products, from logs, firewood, poles, posts, and other unmanufactured forms, to boards, large and small squares, framing items, ties and other sawmill products. It is possible that the trade statistics of some Latin American countries even may extend the terms to include such items as cooperage stock, box shooks, plywood, and veneer. As far as available data will permit, the term is here used in the more restricted sense, to include logs and basic sawmill products.

Position of Latin America in world production.

Of approximately 7.5 billion acres of forest land in the world, about 30 percent is reported to be in Latin America; this is equivalent to approximately 40 percent of the total land area of that region. Although unsurpassed in forest area, Latin America annually produces not more than 5 to 7 percent of the world output of saw timber. In comparison, North America has less than one-fifth of the world forest area, but accounts for almost 60 percent of the saw timber output.

The relatively **minor** position of Latin America as a producer in proportion to its large forest area is due principally to the character of the forests and to the limited demand in that region for timber and wood. Approximately 90 percent of the total forest area is in hardwoods, while the principal need is for softwoods which lend themselves readily to construction and industrial uses. Latin American softwood stands, constituting less than 10 percent of the total forest area, are localized; Mexico and Brazil produce the predominant share of the total output, although scattered production occurs in several other Latin American countries. In character, the lumber produced from Latin American softwoods is suitable chiefly for such purposes as boxes, crates and packing cases, and for minor items of construction. Latin American countries depend almost entirely on outside sources, chiefly the United States and Canada, for the high-grade lumber and timber used in construction.

The situation with respect to potential and actual output of timber and other wood varies in the different Latin American countries. Reserves are large in proportion to land area in several of the countries, but because of the dearth of skilled labor, the state of industrial development, and the lack of transportation facilities, the sawmill industry in most Latin American countries has not been greatly developed; Brazil, Chile, and Mexico are the principal exceptions. Natural barriers to timber exploitation occur in some countries; in Peru, for example, the mining and other large consuming industries are located along the coast, separated from the forest areas by the Andes.

The timber industry throughout Latin America is relatively primitive. Small portable mills and even pit (hand) sawing are common. With some exceptions, involving particular woods, especially pine and cabinet woods, production is largely for local consumption, or for nearby over-the-border trade. This includes the important production of fuelwood, posts, ties, and lumber for minor construction items, and for packing rubber, fruits, and canned goods. Several woods, however, are produced for export, especially pine and cabinet woods. Production of these woods is commonly conducted on a large scale, and standard American equipment and methods are in use, especially in Mexico and Brazil, where several modern steam sawmills are in operation.

In the absence of production data to indicate the rank of the producing countries, reliance must be placed on estimates. Brazil and Mexico probably are the leading producers; their important stands of pine and cabinet woods place these countries in a position to furnish the kinds of wood in chief demand. Other countries, such as Nicaragua, Honduras, Guatemala, and Cuba are substantial producers of mahogany and Spanish cedar; Nicaragua, in addition, produces pine. Chile owes its importance as a producer to the hardwoods available in the southern part of the country. Several other countries of Latin America are also producers of timber. Ecuador possesses extensive timber reserves of soft and hardwoods, which supply internal requirements, but the only export trade of any consequence is that in balsa in the log (see table 5). Venezuela and Colombia have timber resources beyond their present needs, but except for a small export trade in cabinet woods, production is almost entirely consumed locally. Argentina, Uruguay, and Paraguay are importers of timber and other wood.

Latin American exports.

The timber and wood export trade of Latin American countries centers chiefly in cabinet and specialty woods (the latter including balsa and lignum-vitae) to the United States and Europe, and softwoods and utility hardwoods to adjacent or nearby countries. In recent years, however, an increasing trade in pine and hardwoods to Europe has arisen, particularly from Brazil, Chile, Cuba, and Nicaragua. (See tables at the end of this section). Brazil is an important exporter. The major portion (probably 65 percent) of the total lumber and timber exports from this source is pine, and the remainder is cabinet woods. It is estimated that over 75 percent of the exports of Brazilian pine go to Argentina, chiefly as box material; other markets are Uruguay and Germany. Exports of cabinet woods from Brazil go largely to the United States; Europe, especially the United Kingdom, ranks second. Mexico exports "ordinary woods," such as pine, and "cabinet woods" such as mahogany and prima vera. The United States is the outstanding foreign market for both types; France, Germany, and the Netherlands are of less importance. A substantial export trade exists with respect to cabinet wood logs from Mexico to British Hondruas for reexport chiefly to the United States. Exports from Chile are predominantly of rauli and laurel (cabinet woods), although other hardwoods enter the trade in less important quantities. Available export statistics indicate that 46 percent of the Chilean trade is with Germany and 52 percent with the bordering countries, Argentina, Peru, and Bolivia.

With the exception of balsa exported from Ecuador, chiefly to the United States, cabinet woods constitute the predominant share of the remainder of the Latin American export trade. This includes mahogany and Spanish cedar from Cuba, greenheart from British Guiana, and prima vera from Venezuela.[1]

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[1] Exports of woods from several Latin American countries are expressed in terms of weight rather than board or cubic feet. The ratio of weight to board or cubic feet varies widely according to the density of the wood. It has seemed impracticable, therefore, to express the quantity figures appearing in the tables in this section in terms of board feet.

Table 1. - Lumber and timber:[1/] Exports from BRAZIL to principal markets, in specified years, 1929 to 1938

Exported to -	1929	1932	1936	1937	1938
	Quantity in 1,000 pounds				
Total, all countries	280,469	223,091	421,270	575,526	664,416
Argentina	203,526	168,072	304,809	399,127	2/
Portugal	24,620	15,920	34,362	32,691	
Germany	2,565	1,105	25,632	25,046	
United Kingdom	4,416	3,956	5,921	24,802	
Uruguay	35,080	20,986	2,462	20,506	
UNITED STATES	5,014	6,341	19,717	15,506	
Italy	2/	3	15,271	8,411	
France	3,459	1,376	2,836	3,119	
All other countries	1,789	5,332	10,560	46,318	
Percentage to the United States	1.8	2.8	4.7	2.7	
	Value in 1,000 milreis				
Total, all countries	26,662	21,673	42,904	65,117	76,907
	Value in 1,000 U. S. dollars				
Total, all countries	3,149	1,543	2,805	4,445	4,461
Argentina	2,107	1,079	1,976	3,003	2/
Portugal	328	159	234	242	
Germany	46	10	161	202	
United Kingdom	100	31	43	189	
Uruguay	401	134	15	149	
UNITED STATES	89	66	176	136	
Italy	2/	3/	82	65	
France	57	20	45	56	
All other countries	22	44	73	403	
Percentage to the United States	2.8	4.3	6.3	3.1	
Unit value per pound of total exports 4/	$0.011	$0.007	$0.007	$0.008	$0.007

1/ In 1936 over 73%, and in 1937 over 75% of the total value was composed of "Pine." 2/ Not reported separately. 3/ Not over 500. 4/ The unit values appearing in this and other tables should be interpreted with caution, especially when comparing the unit values of the exports of one country with those of another. Exports from the different Latin American countries, though of the same commodity frequently are of different types or grades. Moreover, different methods of valuation are employed by the various countries and some countries have changed their method of valuation during the period 1929-

Source: Compiled by the U. S. Tariff Commission from official trade statistics of Brazil. Converted to United States weights and currency by applying the following factors: 1 kilo = 2.2046 lbs. 1 paper milreis = 1929, $0.1181; 1932, $0.0712; 1936, $0.06537; 1937, $0.06826; 1938, $0.0580.

Table 2.- Wood, unmanufactured - Rauli: Exports from CHILE to principal markets, in specified years, 1929 to 1938

Exported to -	1929	1932	1936	1937	1938
	Quantity in 1,000 pounds				
Total, all countries	27,778	4,000	13,741	20,597	23,581
Germany	1/	37	36	6,355	13,383
Argentina		2,250	7,455	6,518	5,157
Bolivia		338	1,846	2,420	1,858
Peru		1,170	3,985	5,022	3,126
All other countries		205	419	282	57
	Value in 1,000 gold pesos				
Total, all countries	5,182	181	813	1,441	2,026
	Value in 1,000 U. S. dollars				
Total, all countries	631	22	167	297	417
Germany	1/	2/	1	119	242
Argentina		12	92	83	116
Bolivia		2	25	36	31
Peru		7	44	55	27
All other countries		1	5	4	1
Unit value per pound of total exports 3/	$0.023	$0.006	$0.012	$0.014	$0.018

1/ Not separately reported.
2/ Not over $500.
3/ See footnote 4, table 1.

Source: Compiled by the U. S. Tariff Commission from official trade statistics of Chile. Converted to United States weights and currency by applying the following factors: 1 gross kilo = 2.2046 lbs. 1 peso = 1929, $0.1217; 1932, $0.1217; 1936, $0.2060 1937, $0.2060; 1938, $0.2060.

Table 3. - Wood, unmanufactured - Laurel: Exports from CHILE to principal markets, in specified years, 1929 to 1938

Exported to -	1929	1932	1936	1937	1938
	Quantity in 1,000 pounds				
Total, all countries -	1/	5,750	8,176	20,425	20,002
Germany	-	2,929	39	10,045	13,395
Argentina	-	1,461	3,926	5,173	4,504
Peru	-	1,073	3,912	4,570	1,621
Bolivia	-	152	37	174	395
All other countries	-	135	262	463	87
	Value in 1,000 gold pesos				
Total, all countries -	-	156	262	947	1,157
	Value in 1,000 U. S. dollars				
Total, all countries -	1/	19	54	195	238
Germany	-	10	2/	109	156
Argentina	-	5	27	40	60
Peru	-	3	25	39	15
Bolivia	-	1	2/	2	6
All other countries	-	1/	2	5	1
Unit value per pound of total exports 3/	-	$0.003	$0.007	$0.010	$0.012

1/ Not separately reported.
2/ Not over 500.
3/ See footnote 4, table 1.

Source: Compiled by the U. S. Tariff Commission from official trade statistics of Chile. Converted to United States weights and currency by applying the following factors: 1 gross kilo = 2.2046 lbs. 1 peso = 1932, $0.1217; 1936, $0.2060; 1937, $0.2060; 1938, $0.2060.

Table 4. - Cabinet woods - Mahogany: Exports from CUBA to principal markets, in specified years, 1929 to 1938

Exported to -	1929	1932	1936	1937	1938
	Quantity in 1,000 cubic feet 1/				
Total, all countries	2,793	320	175	190	125
UNITED STATES	81	48	113	115	53
Puerto Rico	-	2/	5	2	20
Denmark	3/	3/	15	24	14
Germany	255	1	7	11	13
Italy	85	2	-	-	4
United Kingdom	341	7	2	1	3
France	293	-	2	2	1
Canary Islands	1	9	4	1	-
Spain	1,531	196	11	-	-
All other countries	206	4/ 57	16	34	5/ 17
Percentage to the United States 6/	2.9	15.0	67.0	61.4	58.0
	Value in 1,000 U. S. dollars 7/				
Total, all countries	406	60	195	227	161
UNITED STATES	88	13	128	142	65
Puerto Rico	-	2/	4	2	24
Denmark	3/	3/	15	26	16
Germany	37	1	10	16	22
Italy	14	1	-	-	6
United Kingdom	47	2/	3	1	4
France	46	-	1	2	2
Canary Islands	2	9	4	2	-
Spain	139	26	11	-	-
All other countries	33	4/ 10	19	36	5/ 22
Percentage to the United States 6/	21.7	22.3	67.6	63.1	55.2
Unit value per cubic foot of total exports 8/	$0.145	$0.189	$1.113	$1.195	$1.283

1/ Beginning in 1936, the classification "Mahogany" was divided into "Mahogany, sawn," and "Mahogany in the log." The quantity for "Mahogany, sawn," is now stated in superficial feet which have been converted to cubic feet at 12 superficial feet to one cubic foot. The high unit values in 1936-38 are doubtless explained by the increased proportion of sawn mahogany in Cuban exports.

2/ Not over 500.

3/ Not reported separately.

4/ Includes 30,150 cubic feet valued at $2,975 exported to Belgium.

5/ Includes 9,878 cubic feet valued at $13,228 exported to the Netherlands.

6/ Includes Puerto Rico.

7/ One peso is equivalent to 1 U. S. Dollar (all years).

8/ See footnote 4, table 1.

Source: Compiled by the U. S. Tariff Commission from official trade statistics of Cuba.

Table 5. - Balsa, in the log and sawn: Exports from ECUADOR to principal markets, in specified years, 1929 to 1938

Exported to	1929	1932	1936	1937	1938
	Quantity in 1,000 pounds				
Total, all countries	3,642	1,054	2,546	2,798	3,324
UNITED STATES	3,611	934	2,085	2,023	2,207
United Kingdom	6	33	260	249	306
Germany	8	-	48	112	224
France	-	5	1/	1/	213
Japan	-	23	25	133	110
Netherlands	-	4	21	61	45
All other countries	17	55	107	220	219
Percentage to the United States	99.1	88.6	81.9	72.3	66.4
	Value in 1,000 sucres				
Total, all countries	548	176	1,057	1,264	1,780
	Value in 1,000 U. S. dollars				
Total, all countries	110	29	101	115	133
UNITED STATES	109	27	83	84	92
United Kingdom	2/	1	10	9	10
Germany	2/	-	2	6	10
France	-	2/	1/	1/	8
Japan	-	2/	1	4	4
Netherlands	-	2/	1	4	3
All other countries	1	2/	4	8	6
Percentage to the United States	99.5	92.1	82.3	72.7	69.0
Unit value per pound of total exports 3/	$0.030	$0.028	$0.040	$0.041	$0.040

1/ Not separately reported.
2/ Not over 500.
3/ See footnote 4, table 1.

Source: Compiled by the U. S. Tariff Commission from official trade statistics of Ecuador and Monthly Economic Reports of Guayaquil. Converted to United States weights and currency by applying the following factors: 1 kilo. = 2.2046 lbs.; kilos reported are gross. 1 sucre 1929, $0.2000; 1932, $0.1667; 1936, $0.0952; 1937, $0.0910; 1938, $0.0746.

Table 6. - Timber and wood: Total exports from MEXICO, in specified years, 1929 to 1938

(Value in thousands of U. S. dollars)

Type of wood	1929	1932	1936	1937	1938 1/
Cabinet woods, in the log	1,559	66	346	604	497
Ordinary wood, sawed ---	372	13	59	46	42
Ordinary wood, in the log	186	1	2/	46	19
Cabinet woods, sawed ---	567	12	9	17	3
Total woods listed --	2,684	92	414	713	561

1/ Preliminary.
2/ Not available.

Source: Compiled by the U. S. Tariff Commission from official trade statistics of Mexico. 1 peso = 1929, $0.4818; 1932, $0.3185; 1936, $0.2776; 1937, $0.2775; 1938, $0.2212.

Table 7. - Lumber - pine: Exports from NICARAGUA to principal markets, in specified years, 1929 to 1938

Exported to -	1929	1932	1936	1937	1938
	Quantity in 1,000 board feet				
Total, all countries	9,683	724	1,191	5,129	6,337
United Kingdom	-	-	-	-	3,031
UNITED STATES	1,020	99	1,127	4,409	2,514
Panama	2,125	-	7	232	184
Honduras	3,487	527	37	185	305
Jamaica	1,611	-	-	-	44
All other countries	1,440	98	20	303	259
Percentage to the United States	10.5	13.7	94.6	86.0	39.7
	Value in 1,000 U. S. dollars 1/				
Total, all countries	423	16	24	80	96
United Kingdom	-	-	-	-	45
UNITED STATES	41	3	23	67	38
Panama	98	-	2/	5	3
Honduras	154	11	1	3	2
Jamaica	72	-	-	-	1
All other countries	58	2	2/	5	7
Percentage to the United States	9.6	17.7	93.4	83.1	39.5
Unit value per board foot of total exports 3/	$0.044	$0.023	$0.020	$0.016	$0.015

1/ One cordoba is equivalent to one U. S. dollar (all years).
2/ Not over 500.
3/ See footnote 4, table 1.

Source: Compiled by the U. S. Tariff Commission from official trade statistics of Nicaragua.

Table 8. - Wood, unmanufactured - Mahogany: Exports from NICARAGUA to principal markets, in specified years, 1929 to 1938

Exported to -	1929	1932	1936	1937	1938
	Quantity in 1,000 board feet				
Total, all countries	8,099	12	81	1,327	1,633
UNITED STATES	8,088	12	18	1,202	1,541
Germany	-	-	5	24	23
Peru	11	-	25	-	38
Japan	-	-	28	101	13
All other countries	-	-	5	-	18
Percentage to the United States	99.9	100.0	22.7	90.6	94.4
	Value in 1,000 U. S. dollars 1/				
Total, all countries	641	2/	3	92	97
UNITED STATES	640	2/	1	86	91
Germany	-	-	2/	1	2
Peru	2/	-	2/	-	2
Japan	-	-	2	5	1
All other countries	-	-	2/	-	1
Percentage to the United States	99.9	100.0	16.5	93.0	94.2
Unit value per board foot of total exports 3/	$0.079	$0.020	$0.041	$0.070	$0.059

1/ One cordoba is equivalent to 1 U. S. dollar (all years).
2/ Not over 500.
3/ See footnote 4, table 1.

Source: Compiled by the U. S. Tariff Commission from official trade statistics of Nicaragua.

Trade barriers, and competitive conditions.

A complete discussion of the import barriers affecting timber and wood exported from Latin American countries would involve detailed consideration of the tariff schedules of a large number of countries. A general survey of these schedules, however, indicates that such exports encounter a minimum of trade barriers.

Exports to the United States are predominantly of cabinet woods in the log and sawed forms; logs and some sawed forms are admitted free of duty, but most sawed cabinet woods are dutiable and all sawed lumber is subject to an import excise tax of $3 per thousand board feet.[1] Available information indicates that there are no trade barriers on cabinet woods in European markets, although since the declaration of war in September 1939, most European countries have exercised rigid control over imports. In some instances exchange considerations and barter arrangements with European countries have in the past stimulated Latin American exports of lumber.

Some Latin American countries accord preferences to imports of timber and other wood from other Latin American countries. These preferences are often determined by the phraseology of the tariff classification, for example, an exemption from duty if imported from a Latin American country for a given purpose, or the establishment of dimensions which do not conform to sizes commonly accepted in world trade as standard, or they may result from exclusive bilateral trade agreements.

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[1] Imposed by the Revenue Act of 1932. In trade agreements with Canada and Ecuador, this tax was reduced on all types of lumber to $1.50 per thousand board feet. The tax on most cabinet wood lumber, however, was restored to $3 per thousand board feet as a result of the second trade agreement with Canada, effective Jan. 1, 1939. Cabinet wood lumber from Cuba is taxable at $2.40 per thousand board feet, except mahogany which, under the terms of the trade agreement with Cuba, is taxable at $1.20.

Available information indicates that Latin American woods do not encounter severe competition in their principal markets. Exports of softwoods from Brazil, chiefly of box grades and less important construction members, can be placed in the nearby Rio de la Plata markets under more favorable conditions than similar stock from the United States and Scandinavia. The United States has an advantage over Brazil in the larger construction items, however, due to differences in the character of the timber of the respective countries. Brazil is at a distinct disadvantage in the markets of Central America because of competition from local production and imports from the United States. Chilean hardwoods have an advantage in the nearby markets of Argentina, Peru, and Bolivia because of conditions similar to those favoring Brazilian softwoods.

The competition offered Latin American cabinet woods occurs almost entirely in North American and European markets and is centered predominantly on mahogany. African mahogany enters the same use-classes as the American, and is competitive with it. Competition from this source is probably less severe in the United States market than in Europe. In 1938, 75 percent of the total imports of mahogany into the United States were from Latin America. 1/

1/ Representative prices for mahogany and other cabinet woods are not available, inasmuch as the value of each individual shipment is determined by its quality. The sharp increase in the unit value of exports of mahogany from Cuba (see table 4) in recent years is doubtless the result of shift in the form of such exports from logs to selected lumber.

Effects of the European war.

The principal need in Latin America is for softwoods, ranging from boxboard grades to heavy construction timbers. Argentina, Peru, Uruguay, and Venezuela are the principal importers in South America, and the European war should not affect the shipment of box grade stock and minor construction items from nearby sources to these markets. Cuba, Mexico, and Panama are large markets for softwoods (chiefly of box grade), but these countries depend on the United States for their principal supply, rather than on Brazil and other South American sources. It is probable that the relatively unimportant overseas trade of Latin American producers in softwoods will be greatly curtailed for the duration of the European war, as will the movement of cabinet woods from Latin American countries to Europe. Unless there is a scarcity of cargo ships, the movement of cabinet woods from Latin America to the United States should be unaffected by war conditions except that the demand may be stimulated by the rearmament and shipbuilding programs in this country.

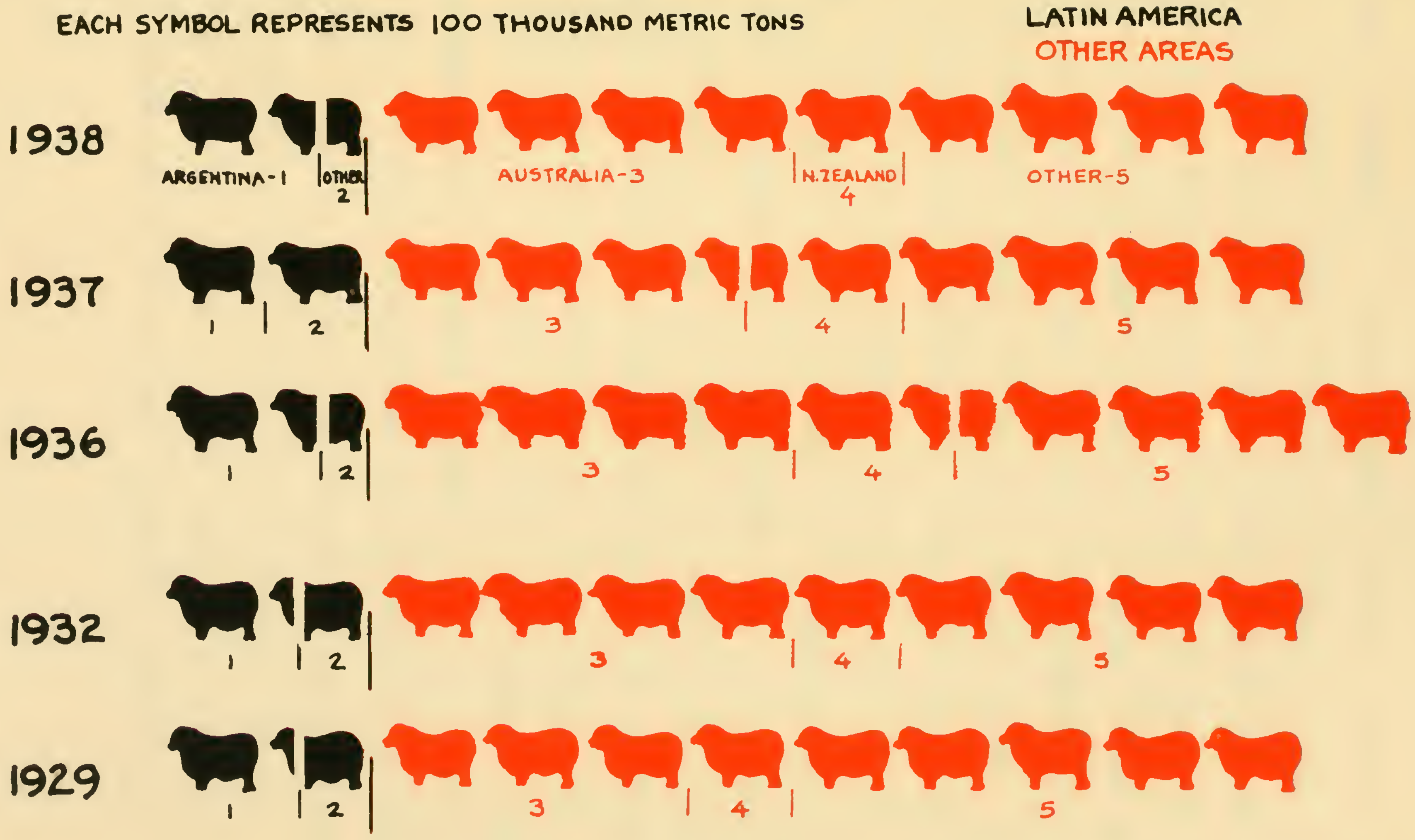
WOOL

WOOL

WORLD EXPORTS

1929, 1932, 1936-1938

EACH SYMBOL REPRESENTS 100 THOUSAND METRIC TONS



U.S. TARIFF COMMISSION, 1940.

Wool

Wool varies in fineness from the extremely coarse to the extremely fine fiber. The price of wool generally varies with its fineness, which largely determines the use to which it is put. The coarse native, or "unimproved" wools, grown chiefly in Asia, are used principally in carpets and rugs. Certain of these also are frequently blended with coarse "improved" or apparel wools in the manufacture of special fabrics. Coarse apparel wools are frequently blended with carpet wools in making floor coverings, but their principal use is in blankets and the less expensive woven fabrics and knit goods. Coarse apparel wools having some lustre are also blended with mohair for the weaving of light-weight summer suitings and dress goods, and for upholstery (pile) fabrics. Apparel wools of medium fineness are used principally in the manufacture of suitings and dress goods; the United States is a large producer of such wools. The fine apparel wools grown chiefly in Australia are occasionally blended with the finer animal hairs, but their predominant use is in the manufacture of clothing and knit goods, the value of which usually increases directly with the fineness of the wools used. This results in part from the fact that as wools increase in fineness they generally become softer, and the fabrics made from them have more acceptable draping properties. All grades of short wools may be used in felts, ranging from the finest billiard, piano, and hat felts, to those made from the coarsest short wools, whether of carpet or apparel types and animal hair.

Position of Latin America in world production.

In general, wools grown in South America are somewhat coarser than those produced in most other important wool-exporting regions. Comparatively little merino (fine) wool is produced, except in certain sections of Peru and Argentina. Much of the South American wool is deficient in certain desirable characteristics, and for that reason is usually blended with other wools. Argentina is by far the principal producer of the coarser apparel wools which are blended with the true carpet wools in the manufacture of floor coverings. Argentina also produces a considerable quantity of unimproved or true carpet wools.

There is also a limited production in Latin America, chiefly in Peru, of hair from animals related to the camel, such as the alpaca, llama, vicuna, the huarizo (cross of the male llama and the female alpaca) and the misti (cross of the male alpaca and the female llama). All these are specialty hairs produced only in the Andean regions of South America. Alpaca is by far the most important. Llamas are used chiefly as beasts of burden; consequently their hair becomes so worn as to be unfit for most manufacture. Vicuna hair, the finest animal fiber known, is produced in very limited amounts, since the wild animals must be slaughtered to obtain it. Stringent conservation measures have been imposed in recent years to prevent extinction of the species. These animal hairs, other than vicuna, are usually blended with wools in textile manufacture.

Wool production in Latin America (including the foregoing specialty hairs) has customarily amounted to about one-sixth of world production; in 1938 Latin American production was 627 million pounds, or 16.4 percent of the estimated world production of 3,830 million pounds (see table 1). Argentina, Uruguay, Brazil, Chile, and Peru in that year accounted for 93 percent of the total wool production in Latin America. Argentina and Uruguay alone accounted for 80 percent. About 30 percent of the total Latin American production is used by domestic industries or native craftsmen; the remainder is exported.

Table 1.- Wool: Production in principal producing countries, in specified years, 1929 to 1938

Country	1929	1933	1936	1937	1938
	Quantity in millions of pounds				
Argentina	323	348	350	380	385
Uruguay	135	101	112	128	121
Chile	33	32	25	34	31
Other Latin American countries	56	54	85	84	90
Total, Latin America	547	535	572	626	627
Australia	925	847	990	1,014	938
UNITED STATES	363	429	426	433	436
New Zealand	222	279	295	314	305
Union of South Africa	312	255	251	230	240
Canada and Newfoundland	21	19	19	19	19
Europe 1/	912	638	655	783	837
Asia 2/	230	223	316	310	314
Africa 3/	88	69	115	121	115
Estimated world total	3,620	3,294	3,639	3,850	3,830
	Percent of world production				
Latin America	15.1	16.2	15.7	16.3	16.4

1/ Including the Soviet Union in Europe and Asia.
2/ Excluding the Soviet Union in Europe and Asia.
3/ Excluding the Union of South Africa.

Source: Bulletins, National Association of Wool Manufacturers.

Note: The statistics for Latin American countries include the various related specialty hairs.

Latin American exports.

Australia is by far the world's largest wool exporting country; Argentina ranks second, followed by New Zealand, the Union of South Africa, and Uruguay. Wool exporting countries in Latin America, other than Argentina and Uruguay, are Chile, Peru, and Brazil. These five Latin American countries together have customarily accounted for more than 20 percent of total world exports; Argentina alone has usually supplied about 15 percent. In recent years exports of wool from Latin America have averaged about 450 million pounds as compared with exports from Australia of 820 million pounds and with a world total of 2,100 million pounds (see table 2).

Most of the world's exports of wool in recent years have gone to European countries. The United States was formerly a large importer, but with increased domestic production, its imports (other than the carpet wool) have been relatively small in recent years except during periods of unusually high activity (as in 1937) in the wool-manufacturing industry.

Table 2.- Wool, raw:1/ Exports from principal producing countries of Latin America and of the world, in specified years, 1929 to 1938

Exported from -	1929	1932	1936	1937	1938
	Quantity in 1,000 pounds				
Argentina	284,313	289,878	307,762	255,956	334,830
Uruguay	112,619	95,139	101,379	90,970	117,352
Chile	23,449	25,058	21,528	27,267	22,108
Peru	10,574	9,213	13,199	12,347	12,317
Brazil	11,392	3,907	13,704	6,397	11,839
Total exports from above Latin American countries	442,347	423,195	457,572	392,937	498,446
Australia	764,760	851,637	836,093	771,729	849,607
New Zealand	234,956	238,179	314,408	282,352	271,280
Union of South Africa	286,874	372,661	213,944	237,307	244,404
Belgium and Luxemburg 2/	35,711	58,309	106,087	113,041	75,713
British India	67,063	35,724	58,713	58,902	56,362
France 2/	61,363	37,335	64,368	69,190	49,332
United Kingdom:					
Domestic	51,984	41,911	58,500	45,549	42,403
Reexports	330,629	318,136	264,944	220,551	256,719
All other countries 3/	233,148	106,174	198,580	207,708	137,893
World total 4/	2,081,132	2,069,481	2,137,792	1,996,484	2,100,395
	Percent of total world exports 4/				
Latin American countries listed above	21.3	20.4	21.4	19.7	23.7

1/ Includes washed, unwashed, scoured, pulled wool, slipe; and for various countries hair of the Camel, mohair, Angora goat, Cashmere goat, and alpaca. The following items have been considered as not within this classification: Carded, combed, dyed wool, flocks; sheep, lambskins and goatskins with the hair on, mill waste, noils, and tops.

2/ Believed to be principally reexports.

3/ Believed to include some reexports.

4/ Exclusive of exports from France, Belgium and Luxemburg, and reexports from the United Kingdom.

Source: Compiled by the U. S. Tariff Commission from official trade statistics of the exporting countries. World total from the International Yearbook of Agricultural Statistics, Rome.

Carpet wools exported from Latin America compete chiefly with wools from Asia, and the apparel wools with those from South Africa, Australia, and New Zealand. About 25 percent of the exports of non-Latin American wool consists of native or carpet wools, whereas such fiber probably constitutes not over 7 percent of the movement from Latin America. Exports of apparel wools from all net exporting countries average about 1,835 million pounds. Of this quantity, about 415 million pounds, or 23 percent, is exported from Latin America, as compared with 1,375 million, or nearly 75 percent, from British Empire countries.

The principal markets for Argentine wools have been the United Kingdom, France, Germany, the United States, Belgium, and Italy. For Uruguayan wools the principal destinations have been the United States, Italy, Belgium, and Japan. Chilean wools have been taken principally by the United Kingdom, Germany, and Japan, while Peruvian wools have gone chiefly to the United Kingdom and Germany. Animal hair from the Andean countries - predominantly alpaca - has been exported largely to the United Kingdom, the United States, Germany, Belgium, and France. Exports of wool from the principal producing countries of Latin America to principal markets, in specified years, 1929 to 1938, are shown in tables 4 to 11 at the end of this section.

Trade barriers, competitive conditions, and prices.

Wools (and hair) from the Latin American countries enter all the important importing countries, except the United States, free of duty. In the United States the basic duty ranges from 24 cents to 34 cents per pound of clean content, and applies to all wools imported for consumption except carpet wools and wools not finer than 40s imported under bond for specified uses. 1/

In the period 1936-38, United States imports averaged annually about 70 million pounds of wool and 2 million pounds of alpaca and similar hair from South America, but the figure for 1937 was much higher than that for either 1936 or 1938. About one-half of the imports, however, have been carpet wools entered free of duty under bond. Most of the imported apparel wools have come from Australia, New Zealand, and South Africa.

The price of wool is greatly influenced by the degree of industrial activity. In 1929 the average price of domestic wool (fine territory staple) at Boston was 98.2 cents per pound; thereafter it declined sharply to 47.3 cents in 1932. The average price rose in 1933 and 1934, declined somewhat in 1935; and rose again in 1936 and 1937. In 1937 it stood at 99.8 cents per pound, a higher figure than that in 1929, but declined in 1938 and 1939 to approximately 71 cents per pound. With the declaration of war in Europe,

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1/ Carpet wools (not grown in the United States) and other wools not finer than 40s are granted free entry (under bond) for certain specified uses, predominantly in floor coverings, in which they do not compete with United States wools. When devoted to other than specified uses, the basic rate of 24 cents per pound of clean content is levied on such fiber. On apparel wools finer than 40s but not finer than 44s, the basic duty is 29 cents per pound. Imports of these coarse wools do not constitute over 1 percent of total United States production. On wools finer than 44s the basic duty is 34 cents per pound (Tariff Act of 1930, pars. 1101 and 1102).

the price of wool rose abruptly, reaching a peak of $1.11 in October 1939; since that time it has declined and in March 1940 was quoted at 91 cents per pound (see table 3).

The price of imported wool (fine colonial) ex-duty at Boston has followed a trend similar to that of prices of comparable domestic wool (fine territory staple), although fluctuations in the price of the imported product have been more pronounced. The price of imported wool (exclusive of duty) has regularly been lower than that of comparable domestic grades. During the period 1929-40, the prices of fine colonial wool (imported - ex-duty) ranged from 83 percent to 65 percent of the price of domestic fine territory staple. The duty-paid price, however, has regularly been higher than the domestic price.

The average price quotation for Cordoba wool, class III, from Argentina was 25.5 cents per pound in 1929 and 8.2 cents in 1933. Thereafter it rose to 25.8 cents per pound in 1937 and declined to 14.8 cents in 1939. With the declaration of war in Europe the monthly price quotation rose from 13 cents per pound in September 1939 to 23 cents in February 1940. Wool of this type is coarser than 99 percent of the wool produced in the United States; it is used principally in the manufacture of carpets and for that purpose enters the United States in bond free of duty.

Table 3. - Wool: Wholesale prices and quotations at Boston, 1929-39, and August-March 1939-40

Year or month	Domestic fine territory staple	Imported fine colonial ex-duty	Cordoba Class III 1/ (ex-duty)
		Cents per pound	
1929	98.2	81.7	25.5
1930	75.9	59.0	17.9
1931	62.6	45.3	13.2
1932	47.3	32.1	8.8
1933	64.5	43.7	8.2
1934	82.5	62.3	11.7
1935	75.9	51.4	12.2
1936	91.1	68.7	14.3
1937	99.8	73.9	25.8
1938	70.8	54.8	16.2
1939	2/ 70.9	2/ 48.8	14.8
1939-40 -			
August	72.5	47.7	13-14
September	72.5	47.7	13-14
October	111.0	79.3	17-18
November	106.5	73.2	19-20
December	105.5	72.8	19-20
January	105.5	72.8	21-22
February	95.5	70.2	23-24
March	91.0	70.2	23-24

1/ Annual prices are the unweighted average of the monthly quotations reported in the first issue of each month of the Commercial Bulletin, Boston; monthly prices are the quotations reported in the first issue of each month.

2/ Eight-months average.

Source: Wool Prices, Report No. 120, U. S. Tariff Commission, and current data; and for Cordoba wool, class III (from Argentina), The Commercial Bulletin, Boston.

Effects of the European war.

Total consumption of wool in Europe (exclusive of the Soviet Union) amounts to approximately 2 billion pounds annually of which imports supply about 75 percent. Of the total imports approximately one-fourth is obtained from the Western Hemisphere and two-thirds from Australia, New Zealand, and South Africa. Asia is a minor source.

As a result of the European war, Latin American countries appear likely to lose, at least temporarily, a substantial part of their European market for wool. This loss, however, may be covered, at least in part, by increased sales to other countries, especially the United States.

With the outbreak of the war, the United Kingdom commandeered, at fixed prices, all of the wool in Australasia, and announced that it would release only 60s and finer wools to neutral countries. Minimum prices have also been guaranteed by the United Kingdom for South African wools. The exports of Indian (carpet) wools to non-Empire users have been curtailed, and the acquisition of Turkish (carpet) wools has been restricted. With Japan controlling most of the exports of Chinese wools, United States users of both carpet and apparel wools may be forced to depend more largely on Latin American and (subject to the minimum prices guaranteed by the United Kingdom) on South African markets for their requirements of imported wools.

Table 4. - Wool, unwashed: Exports from ARGENTINA to principal markets, in specified years, 1929 to 1938

Exported to -	1929	1932	1936	1937	1938
	Quantity in 1,000 pounds				
Total, all countries	264,997	267,209	260,956	213,709	285,063
United Kingdom	40,525	80,219	75,411	45,549	77,256
France	45,201	58,191	41,561	31,413	55,119
Germany	64,575	42,313	35,964	24,370	56,156
UNITED STATES	35,428	10,875	47,143	47,419	39,125
Belgium	48,045	32,615	19,061	17,482	15,289
Italy	20,690	28,415	8,450	23,979	12,037
All other countries	10,533	14,581	33,367	23,497	30,081
Percentage to the United States	13.4	4.1	18.1	22.2	13.7
	Value in 1,000 paper pesos				
Total, all countries	144,769	65,776	125,165	135,837	122,754
	Value in 1,000 U.S. dollars 1/				
Total, all countries	60,596	16,913	36,523	41,919	36,495
United Kingdom	9,352	5,192	10,093	8,631	9,769
France	10,293	3,677	5,801	6,144	6,992
Germany	14,564	2,630	5,156	4,692	7,640
UNITED STATES	8,058	664	6,084	9,331	4,664
Belgium	11,044	1,995	2,755	3,473	1,871
Italy	4,747	1,798	1,257	4,842	1,482
All other countries	2,538	957	5,377	4,806	4,077
Percentage to the United States	13.3	3.9	16.7	22.3	12.8
Unit value per pound of total exports 2/	$0.229	$0.063	$0.140	$0.196	$0.128

1/ For 1929 and 1932, the U. S. dollar value has been converted from the gold peso value. One gold peso equals 2.272727 paper pesos. The conversion rates for the gold peso are as follows: 1929, $0.9513; and 1932, $0.5844.

2/ The unit values appearing in this and other tables should be interpreted with caution, especially when comparing the unit values of the exports of one country with those of another. Exports from the different Latin American countries, though of the same commodity, frequently are of different types or grades. Moreover, different methods of valuation are employed by the various countries and some countries have changed their method of valuation during the period 1929-38.

Source: Compiled by the U. S. Tariff Commission from official trade statistics of Argentina. Converted to United States weights and currency by applying the following factors: 1 net metric ton = 2204.6 lbs.; 1 peso = 1929 - $0.4186; 1932 - $0.2571; 1936 - $0.2918; 1937 - $0.3086; 1938 - $0.2973.

Table 5. - Wool, cleaned and washed: Exports from ARGENTINA to principal markets, in specified years, 1929 to 1938

Exported to -	1929	1932	1936	1937	1938
	Quantity in 1,000 pounds				
Total, all countries	19,316	22,669	46,806	42,247	49,767
United Kingdom	9,468	9,842	14,081	14,281	15,692
France	1,332	2,726	6,175	3,146	7,346
UNITED STATES	3,267	512	9,691	12,906	7,952
Belgium	1,183	2,822	2,817	3,600	3,481
Czechoslovakia	-	-	1,411	1,250	2,266
Netherlands	166	440	571	461	1,991
Chile	108	-	853	256	1,206
Yugoslavia	-	-	694	719	1,592
Union of South Africa	4	35	1,662	1,667	1,806
Austria	-	-	278	344	1,246
Italy	1,578	2,572	2,412	990	295
Germany	1,630	3,023	2,392	481	278
All other countries	580	697	3,769	2,146	4,616
Percentage to the United States	16.9	2.3	20.7	30.5	16.0
	Value in 1,000 paper pesos				
Total, all countries	13,538	9,883	26,240	35,351	30,998
	Value in 1,000 U.S. dollars 1/				
Total, all countries	5,667	2,541	7,657	10,909	9,216
United Kingdom	2,264	1,012	1,723	3,105	2,273
France	392	314	1,115	934	1,542
UNITED STATES	1,010	61	1,506	3,480	1,328
Belgium	407	292	492	998	718
Czechoslovakia	-	-	262	336	486
Netherlands	51	53	93	120	376
Chile	50	-	248	107	355
Yugoslavia	-	-	159	201	347
Union of South Africa	1	4	207	338	310
Austria	-	-	55	82	305
Italy	654	331	536	365	80
Germany	615	374	380	134	47
All other countries	223	100	880	709	1,049
Percentage to the United States	17.8	2.4	19.7	31.9	14.4
Unit value per pound of total exports 2/	$0.293	$0.112	$0.164	$0.258	$0.185

1/ For 1929 and 1932, the U. S. dollar value has been converted from the gold peso value. One gold peso equals 2.272727 paper pesos. The conversion rates for the gold peso are as follows: 1929, $0.9513; and 1932, $0.5844.

2/ See footnote 2, table 4.

Source: Compiled by the U.S. Tariff Commission from official trade statistics of Argentina. Converted to United States weights and currency by applying the following factors: 1 net kilo = 2.2046 lbs.; 1 net metric ton = 2204.6 lbs. 1 peso = 1929 - $0.4186; 1932 - $0.2571; 1936 - $0.2918; 1937 - $0.3086; 1938 - $0.2973.

Table 6. - Wool: Exports from BRAZIL to principal markets, in specified years, 1929 to 1938

Exported to -	1929	1932	1936	1937	1938
	Quantity in 1,000 pounds				
Total, all countries	11,392	3,907	13,704	6,397	11,839
Germany	6,995	1,906	12,126	5,959	1/
Belgium and Luxemburg	233	5	558	361	
Uruguay	2,921	1,479	528	-	
All other countries	1,243	517	492	77	
	Value in 1,000 milreis				
Total, all countries	30,401	6,277	47,851	26,342	40,462
	Value in 1,000 U. S. dollars				
Total, all countries	3,590	447	3,128	1,798	2,347
Germany	2,199	242	2,806	1,691	1/
Belgium and Luxemburg	73	1	108	90	
Uruguay	921	145	105	-	
All other countries	397	59	109	17	
Unit value per pound of total exports 2/	$0.315	$0.114	$0.228	$0.281	$0.198

1/ Not available.
2/ See footnote 2, table 4.

Source: Compiled by the U.S. Tariff Commission from official trade statistics of Brazil. Converted to United States weights and currency by applying the following factors: 1 gross kilo = 2.2046 pounds; 1 milreis = 1929, $0.1181; 1932, $0.0712; 1936, $0.06537; 1937, $0.06826; 1938, $0.0580.

Table 7. - Wool:[1] Exports from CHILE to principal markets, in specified years, 1929 to 1938

Exported to -	1929	1932	1936	1937	1938
	Quantity in 1,000 pounds				
Total, all countries	23,449	25,040	20,970	26,586	21,487
United Kingdom ----	2/	23,173	9,338	10,562	12,854
Germany -----------		617	8,538	13,422	7,665
Japan -------------		164	2,660	2,272	947
UNITED STATES -----		184	210	282	20
All other countries		902	224	48	1
Percentage to the United States --	-	0.7	1.0	1.1	0.1
	Value in 1,000 pesos				
Total, all countries	56,255	24,711	25,447	43,185	25,346
	Value in 1,000 U.S. dollars				
Total, all countries	6,846	3,007	5,242	8,896	5,221
United Kingdom ----	2/	2,831	2,147	3,051	2,821
Germany -----------		36	2,380	5,222	2,183
Japan -------------		25	602	538	212
UNITED STATES -----		13	33	72	4
All other countries		102	80	13	1
Percentage to the United States --	-	0.4	0.6	0.8	0.1
Unit value per pound of total exports 3/ -----	$0.292	$0.120	$0.250	$0.335	$0.243

[1] Principally unwashed wool.
[2] Not available.
[3] See footnote 2, table 4.

Source: Compiled by the U.S. Tariff Commission from official trade statistics of Chile. Converted to United States weights and currency by applying the following factors: 1 gross kilo = 2.2046 lbs.; 1 gold peso = 1929, $0.1217; 1932, $0.1217; 1936, $0.2060; 1937, $0.2060; 1938, $0.2060.

Table 8. - Wool: Exports from PERU to principal markets, in specified years, 1929 to 1938

Exported to -	1929	1932	1936	1937	1938
	Quantity in 1,000 pounds				
Total, all countries	3,381	4,163	5,216	5,882	5,144
UNITED STATES	984	-	21	2	-
Germany	18	4	4,064	4,830	3,874
United Kingdom	2,246	3,338	1,026	487	560
Belgium	-	-	14	495	673
Bolivia	-	570	60	26	37
All other countries	133	251	31	42	-
Percentage to the United States	29.1	-	0.4	1/	-
	Value in 1,000 soles				
Total, all countries	2,476	2,048	5,097	6,530	3,141
	Value in 1,000 U. S. dollars				
Total, all countries	990	436	1,269	1,645	704
UNITED STATES	243	-	4	1	-
Germany	4	2/	992	1,333	518
United Kingdom	709	346	255	160	116
Belgium	-	-	4	131	67
Bolivia	-	70	6	6	3
All other countries	34	20	8	14	-
Percentage to the United States	24.5	-	0.3	1/	-
Unit value per pound of total exports 3/	$0.293	$0.105	$0.243	$0.280	$0.137

1/ Less than one-tenth of 1 percent.
2/ Not over $500.
3/ See footnote 2, table 4.

Source: Compiled by the U. S. Tariff Commission from official trade statistics of Peru. Converted to United States weights and currency by applying the following factors: 1 gross kilo = 2.2046 pounds; 1 sol = 1929, $0.4000; 1932, $0.2130; 1936, $0.2490; 1937, $0.2520; 1938, $0.2242.

Table 9. - Wool, "Huarizo":[1] Exports from PERU to principal markets in specified years, 1929 to 1938

Exported to -	1929	1932	1936	1937	1938
	Quantity in 1,000 pounds				
Total, all countries	380	239	517	452	464
UNITED STATES	11	-	34	84	11
United Kingdom	351	190	481	335	176
Belgium	-	-	-	11	121
Germany	-	-	-	22	133
All other countries	18	49	2	-	23
Percentage to the United States	2.9	-	6.6	18.5	2.4
	Value in 1,000 soles				
Total, all countries	192	99	414	616	445
	Value in 1,000 U. S. dollars				
Total, all countries	77	21	103	155	100
UNITED STATES	2	-	7	32	3
United Kingdom	71	16	96	111	39
Belgium	-	-	-	4	27
Germany	-	-	-	8	26
All other countries	4	5	2/	-	5
Percentage to the United States	2.9	-	6.9	20.6	2.4
Unit value per pound of total exports 3/	$0.202	$0.088	$0.199	$0.343	$0.215

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[1] The huarizo is a cross of the llama and the alpaca. The "wool" is really hair.

[2] Not over $500.

[3] See footnote 2, table 4.

Source: Compiled by the U.S. Tariff Commission from official trade statistics of Peru. Converted to United States weights and currency by applying the following factors: 1 gross kilo = 2.2046 pounds. Exchange rates: 1 sol = 1929, $0.4000; 1932, $0.2130; 1936, $0.2490; 1937, $0.2520; 1938, $0.2242.

Table 10. - Wool, unwashed: Exports from URUGUAY to principal markets, in specified years, 1929 to 1938

Exported to -	1929	1932	1936	1937	1938
	Quantity in 1,000 pounds				
Total, all countries	107,326	91,359	90,991	81,646	102,039
Germany	29,825	25,941	12,874	11,227	40,078
United Kingdom	9,432	15,975	20,376	17,077	23,137
Italy	11,692	16,568	5,709	6,948	7,012
France	21,577	18,892	5,716	3,687	5,983
Czechoslovakia	1/	1/	2,414	1,440	4,566
Japan	-	-	11,849	16,759	4,124
Netherlands	2,708	6,208	1,371	714	3,002
Belgium	12,874	7,172	5,156	2,312	2,084
UNITED STATES	13,630	238	22,617	18,673	1,894
All other countries	5,589	365	2,909	2,809	10,159
Percentage to the United States	12.7	0.3	24.9	22.9	1.9
	Value in 1,000 pesos				
Total, all countries	27,294	17,932	37,250	39,998	35,243
	Value in 1,000 U. S. dollars				
Total, all countries	26,920	8,439	19,508	22,379	20,078
Germany	7,580	2,397	2,767	3,232	8,218
United Kingdom	2,319	1,468	4,404	4,368	4,458
Italy	2,960	1,539	1,346	1,305	1,312
France	5,339	1,747	1,039	832	1,121
Czechoslovakia	1/	1/	444	339	890
Japan	-	-	2,608	4,983	790
Netherlands	657	572	313	197	622
Belgium	3,279	457	927	470	366
UNITED STATES	3,403	22	5,049	5,237	390
All other countries	1,383	237	611	1,416	1,911
Percentage to the United States	12.6	0.3	25.9	23.4	1.9
Unit value per pound of total exports 2/	$0.251	$0.092	$0.214	$0.274	$0.197

1/ Not shown separately.
2/ See footnote 2, table 4.

Source: Compiled by the U. S. Tariff Commission from official trade statistics of Uruguay. Converted to United States weights and currency by applying the following factors: 1 kilo = 2.2046 lbs. 1 peso = 1929, $0.9863; 1932, $0.4706; 1936, $0.5237; 1937, $0.5595; 1938, $0.5697.

Table 11. - Wool, washed and semi-washed: Exports from URUGUAY to principal markets, in specified years, 1929 to 1938

Exported to -	1929	1932	1936	1937	1938
	Quantity in 1,000 pounds				
Total, all countries	5,293	3,780	10,388	9,324	15,313
United Kingdom	1,766	861	2,202	2,370	3,042
Belgium	958	963	1,902	1,736	2,193
Poland and Danzig	-	-	297	186	1,603
Czechoslovakia	-	-	1,668	1,408	1,650
Netherlands	48	543	365	421	1,289
France	616	255	727	412	1,239
Italy	470	212	936	749	846
Yugoslavia	-	-	17	36	512
Germany	819	642	1,254	684	423
UNITED STATES	323	64	421	587	94
All other countries	293	240	599	735	2,422
Percentage to the United States	6.1	1.7	4.1	6.3	0.6
	Value in 1,000 pesos				
Total, all countries	1,326	735	4,736	5,444	6,770
	Value in 1,000 U. S. dollars				
Total, all countries	1,308	346	2,480	3,046	3,857
United Kingdom	425	78	502	673	656
Belgium	240	88	457	546	494
Poland and Danzig	-	-	81	73	449
Czechoslovakia	-	-	371	496	398
Netherlands	11	50	92	145	327
France	152	24	178	139	324
Italy	119	19	252	305	243
Yugoslavia	-	-	4	12	139
Germany	207	59	302	189	113
UNITED STATES	80	6	84	197	21
All other countries	74	22	157	271	693
Percentage to the United States	6.1	1.7	3.4	6.5	0.5
Unit value per pound of total exports 1/	$0.247	$0.092	$0.239	$0.327	$0.252

1/ See footnote 2, table 4.

Source: Compiled by the U. S. Tariff Commission from official trade statistics of Uruguay. Converted to United States weights and currency by applying the following factors: 1 kilo = 2.2046 lbs.; 1 peso = 1929, $0.9863; 1932, $0.4706; 1936, $0.5237; 1937, $0.5595; 1938, $0.5697.

YERBA MATE

Yerba Maté

Yerba maté, of Paraguay tea, consists of the dried leaves and shoots of an evergreen tree commonly known as South American holly (*Ilex paraguensis*). A beverage prepared with powdered yerba maté and hot water is used by a great many people in central and southern South America. Consumption of yerba maté is confined chiefly to the rural areas of South America, as the citizens of the larger towns and cities show a preference for coffee or tea when these are available. The stimulating quality of yerba maté is due to its content (about 1 percent) of the alkaloid caffeine. This is much less than the caffeine content of ordinary tea. The drink is usually taken by the natives from a hollow gourd, called a *maté*, and is sipped through a tube (known as a bombilla) which has a strainer on the lower end.

Latin American production.

The production of this commodity is confined almost entirely to the basin of the upper Paraná River, in Brazil, Argentina, and Paraguay. In Brazil, the largest producer, and in Paraguay, yerba maté is obtained chiefly from wild trees. The Brazilian Government grants concessions in certain districts of yerba maté forests, or *yerbales*, to merchants who have the tea collected and dried by groups of native Indians. In Argentina, however, the production is principally from cultivated trees which are smaller than the wild variety. This cultivation was originally undertaken by the Jesuits, who obtained a superior grade of tea by this means. About 95 percent of the yerba maté produced in Argentina is grown in Misiones

Territory, which lies along the Paraná River between Brazil and Paraguay. Production of yerba maté in the principal producing countries, in specified years, 1929 to 1938, is shown in table 1.

Over half of the total production of yerba maté in South America is consumed by the people of Argentina.[1] The other principal consuming countries, in the order of their importance, are Brazil, Uruguay, Paraguay, and Chile. Consumption by all the remaining countries of the world is relatively unimportant, amounting to less than 1 percent of the total.

Table 1.- Yerba maté: Production in principal producing countries of Latin America, in specified years, 1929 to 1938

(Quantity in thousands of pounds)

Country	1929	1933	1936	1937	1938
Brazil	607,257	175,455	1/196,820	2/	2/
Argentina	3/50,706	112,494	175,601	234,415	159,919
Paraguay 4/	22,057	24,015	45,144	38,409	31,779

1/ Official estimate.
2/ Not available.
3/ Fiscal year ended July 31, 1929.
4/ Crop years.

Source: Pan American Union, Division of Economic Information.

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[1] Consumption in Brazil must have been very large in 1929, inasmuch as production in that year was reported to be 607 million pounds, and exports were 190 million pounds. In 1936 production was only 197 million pounds and exports were 147 million pounds.

Latin American exports.

The trade in yerba maté is chiefly between Latin American countries. Brazil is the principal exporter, accounting for over 90 percent of all such exports in 1938. Paraguay is the second most important exporting country. Exports from Argentina are very small. Indeed, exports of yerba maté from Uruguay in 1938 (the only recent year in which any such exports from Uruguay were recorded) were larger than those from Argentina. Amounting to 463 thousand pounds, Uruguayan exports in 1938 went entirely to Chile.

In the past, Argentina usually imported half or more of its total requirements of yerba maté. About 90 percent of these imports came from Brazil, and the remainder from Paraguay. Since the adoption of a program designed to make Argentina independent of other countries for its supply of this commodity, the Argentine production has increased greatly. In the last few years, however, it has become apparent that overproduction is probable, and laws have been promulgated restricting the planting of additional trees.

Exports of yerba maté from Brazil, Paraguay, and Argentina to principal markets, in specified years, 1929 to 1938, are shown in tables 2 to 4. Attempts by these three countries to build up an export trade for yerba maté outside of their continent have not been successful because of the general preference for tea or coffee. Exports to the United States increased from 39 thousand pounds in 1932 to 422 thousand pounds in 1935, but since that year have declined sharply; in 1938 they were less than 20 thousand pounds. Germany has been the most important European market for yerba maté, especially for that from Brazil; exports to Germany, however, amounted to less than 1 percent of total Brazilian exports in 1937. The United Kingdom, France, and Syria together have taken substantial proportions of Argentine exports; in 1938 they accounted for about 30 percent of the small exports from Argentina.

Table 2.- Yerba mate: Exports from BRAZIL to principal markets, in specified years, 1929 to 1938

Exported to -	1929	1932	1936	1937	1938
	Quantity in 1,000 pounds				
Total, all countries	189,534	179,455	146,829	144,442	139,421
Argentina	136,726	116,185	78,167	74,871	1/
Uruguay	40,414	47,915	50,118	48,706	
Chile	11,600	12,188	17,669	19,443	
Germany	483	2,937	514	747	
All other countries	311	230	361	675	
	Value in 1,000 milreis				
Total, all countries	106,359	86,988	64,074	66,347	59,378
	Value in 1,000 U.S. dollars				
Total, all countries	12,561	6,194	4,189	4,529	3,444
Argentina	8,581	3,686	2,133	2,116	1/
Uruguay	3,035	1,892	1,468	1,702	
Chile	881	488	558	660	
Germany	36	118	17	24	
All other countries	28	10	13	27	
Unit value per pound of total exports 2/	$0.066	$0.035	$0.029	$0.031	$0.025

1/ Not available.

2/ The unit values appearing in this and other tables should be interpreted with caution, especially when comparing the unit values of the exports of one country with those of another. Exports from the different Latin American countries, though of the same commodity, frequently are of different types or grades. Moreover, different methods of valuation are employed by the various countries and some countries have changed their method of valuation during the period 1929-38.

Source: Compiled by the U. S. Tariff Commission from official trade statistics of Brazil. Converted to United States weights and currency by applying the following factors: 1 kilo = 2.2046 pounds; 1 milreis = 1929, $0.1181; 1932, $0.0712; 1936, $0.06537; 1937, $0.06826; 1938, $0.0580.

Table 3. - Yerba maté: Exports from PARAGUAY to principal markets, in specified years, 1929 to 1938

Exported to -	1929	1932	1936	1937	1938
	Quantity in 1,000 pounds				
Total, all countries	14,861	13,973	6,265	9,137	10,149
Argentina	1/	13,894	5,933	9,082	9,958
Uruguay		54	115	50	185
All other countries		2/25	3/217	5	6
	Value in 1,000 gold pesos				
Total, all countries	1,216	1,143	518	748	831
	Value in 1,000 U. S. dollars				
Total, all countries	1,156	668	344	526	570
Argentina	1/	664	323	523	559
Uruguay		3	7	3	11
All other countries		2/ 1	3/ 14	4/	4/
Unit value per pound of total exports 5/	$0.078	$0.048	$0.055	$0.058	$0.056

1/ Not available.
2/ Includes 10,802 pounds, valued at $515, to Argentina in transit.
3/ No shipments were made to the United States except in 1936, when exports to this country amounted to 215 thousand pounds, valued at 14 thousand dollars.
4/ Not over $500.
5/ See footnote 2, table 2.

Source: Compiled by the U. S. Tariff Commission from official statistics of Paraguay. Converted to United States weights and currency by applying the following factors: 1 kilo = 2.2046 lbs.; 1 peso = 1929, $0.9513; 1932, $0.5844; 1936, $0.6649; 1937, $0.7036; 1938, $0.6866.

Table 4. - Yerba mate: Exports from ARGENTINA to principal markets, in specified years, 1933 to 1938

Exported to -	1933[1]	1936	1937	1938
	Quantity in 1,000 pounds			
Total, all countries	436	312	287	403
Syria	17	87	40	98
Bolivia	242	88	131	151
Chile	3	27	10	42
United Kingdom	17	15	14	19
UNITED STATES	62	40	29	16
France	4	8	35	10
All other countries	91	47	28	67
Percentage to the United States	14.2	12.9	10.1	3.9
	Value in 1,000 paper pesos			
Total, all countries	101	78	90	114
	Value in 1,000 U.S. dollars			
Total, all countries	32	23	28	34
Syria	1	6	5	11
Bolivia	16	5	10	10
Chile	[2]	2	1	3
United Kingdom	2	1	1	2
UNITED STATES	6	3	4	2
France	[2]	1	4	1
All other countries	7	5	3	5
Percentage to the United States	16.9	14.3	14.7	6.4
Unit value per pound of total exports [3]	$0.075	$0.073	$0.097	$0.084

[1] Not separately classified prior to 1933.
[2] Not over $500.
[3] See footnote 2, table 2.

Source: Compiled by the U. S. Tariff Commission from official trade statistics of Argentina. Converted to United States weights and currency by applying the following factors: 1 kilo = 2.2046 lbs.; 1 peso = 1933, $0.3203; 1936, $0.2918; 1937, $0.3086; 1938, $0.2973.

Trade barriers, competitive conditions, and prices.

Yerba maté has been admitted free of duty in France, but in the United Kingdom it is dutiable at 10 percent ad valorem, and in Germany at 40 reichsmarks per 100 kilos. These European countries, however, now exercise such rigid control over imports that the dutiable status of commodities is, in most instances, no longer a factor of major significance. The Argentine duty on yerba maté is a compound rate, approximating 5 centavos (paper) per kilo. Crude yerba maté enters the United States free of duty.[1] On the prepared product, the rate is 5 percent ad valorem;[2] all United States imports enter in this form.

The trade in yerbammaté is confined almost entirely to countries in central and southern South America. Exports to other markets have amounted to less than 1 percent of total exports from Brazil, Paraguay, and Argentina, the principal exporting countries.

Prices of yerba maté in recent years are not readily available. The unit values of exports from the principal producing and exporting countries are shown in table 5. These data must be interpreted with caution, inasmuch as different grades and types of the commodity are exported from Brazil, Paraguay, and Argentina; moreover, methods of valuation are different in the three countries, and in at least one instance (Argentina) the method has been changed during the period 1929-38.

Based on the data shown in table 5, exports from Argentina have a higher unit value than those from the other two countries, probably because of the special qualities of the cultivated yerba maté. For the exports from all three countries, unit values were higher in 1937 than in either 1936 or 1938, and the unit values of exports from Brazil and Paraguay were higher in 1929 than in any subsequent year.

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[1] Tariff Act of 1930, par. 1602.
[2] Tariff Act of 1930, par. 35. Prior to the trade agreement with Brazil, effective Jan. 1, 1936, this rate had been 10 percent ad valorem.

Table 5. - Yerba maté: Unit values of exports from selected countries, in specified years, 1929 to 1938

(In cents per pound)

Country	1929	1932	1936	1937	1938
Argentina	1/	2/ 7.5	7.3	9.7	8.4
Brazil	6.6	3.5	2.9	3.1	2.5
Paraguay	7.8	4.8	5.5	5.8	5.6

1/ Not available
2/ Unit value of exports in 1933.

Source: See tables 2, 3, and 4.

Effects of the European war.

Since exports of yerba maté go almost entirely to Latin American countries, the European war will have little direct effect on exports of this commodity. The only European market of any importance has been Germany. Exports from Argentina and Paraguay to this market have been negligible, and those from Brazil in 1937 amounted to but 747 thousand pounds as compared with total exports of 144 million pounds. To the extent, however, that general purchasing power in Latin America is curtailed because of declining European markets for other Latin American products, sales of yerba maté (as well as many other commodities) may be adversely affected.

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